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BULLETIN *of the* National Association of Credit Men

VOL. XX.

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EDITORIALS

ONLY a great association, organized on the broadest lines and actuated by great and appealing ideals could have brought to pass such a convention as that held by the National Association of Credit Men in Chicago last month.

It was the largest convention the Association has held, nearly 1,750 registered; the sessions were the best attended; its deliberations were participated in from the floor by an unusually large number; and the questions discussed were the most serious and far-reaching our conventions have had before them.

The convention was swept on by a rising tide of patriotism. Every thought, every business policy was dominated and actuated by the desire to serve the nation's highest welfare.

Men were there also to learn from one another how their fellows were meeting actual problems brought to business by the war, and what their expectations were for the days to come, whether those days were to bring a continuation of the war or the problems of readjustment at its conclusion.

While a firm optimism ruled over and possessed the hearts apparently of every delegate, yet it was clear that each felt he had a serious part to perform, that the problems of the nation, after all, could not be handled successfully en masse, but only as each individual did his part carefully, thoughtfully, and with a full sense of personal responsibility for doing the right thing.

SPeAKING of each man meeting his personal responsibilities, did you ever stand on the corner of two great metropolitan thoroughfares and watch the ceaseless traffic? What endless possibilities of trouble and entanglements and smash-ups! You can scarcely understand, in fact, how the worst does not happen, and yet, perhaps, it is true that less real damage takes place at such a point than at a less crowded and confused center, and why? Is it not because individual responsibility is here especially sharpened, alert, eager, serious, when dangers seem close, and do we not relax

and slacken in our personal responsibility when the highway seems to give us a straight-away?

That, perhaps, illustrates our present psychology in business. We are in dangerous traffic; we are not sure whether or not some one in the crowd may not lose his head and do the foolish thing, which will upset the whole scheme of traffic. And so we go forward with great care, alert watchfulness, always conservative and we preach care and conservatism to all around us. That is surely the right thing to do. It is the bad judgment of the few, of the erratic, speculative, high-strung men that we most fear, and everybody is trying to keep such in line, even if it is necessary, shaming them into keeping there.

The Convention a Post-Graduate Course

"The thought came to me as I sat in one of the sessions of the convention," says an active member, "looking at all the faces in the room, that with few exceptions, we were in about the same class as the person who takes a post-graduate course at a university. To me it was just as good as if it were a post-graduate course, and I felt while taking advantage of every opportunity the convention offered that I had done my duty by my company and would go back to my desk with a wider view than I had before, and with the feeling that in some lines I was working in the right direction, and in some lines the wrong. This, of course, should be the result of the convention and this is the result a company who sends its credit man to a convention has the right to expect."

Another member writes that he is of the firm conviction that the annual convention of the National Association of Credit Men cannot be neglected by any intelligent ambitious credit man, for it is these conventions that help to mould the credit men of the nation.

"It becomes clear, therefore, that inflation is fundamentally not a banking question, but a question of saving, and that if we want to avoid the evil consequences of inflation and if we want to avoid a policy of the extremest kind of taxation, we must accept the only alternative, conscientious sacrifice of all unnecessary comforts and luxuries and a voluntary lending of the resulting savings to the Government."

—PAUL M. WARBURG.

From Convention Conferences

At the conference of the implement and vehicle dealers at the Chicago convention, there were earnest discussions of the various methods of cooperation to conserve the estates of involved debtors. It was decided that the best agency available for protection is the adjustment bureau, as established by the credit men's associations. Many instances were given where the protection of the debtor's estate would have been impossible without the machinery of the adjustment bureau, and the point was stressed that the credit man generally should labor for the upbuilding of this bureau, which represents the highest ideals of the credit craft.

The boot and shoe sectional conference at the Chicago convention organized itself into the Boot and Shoe Club of the National Association of Credit Men, with P. E. Parrott, of Battreall Shoe Co., of St. Joseph, chairman; S. Einstein, of the Florsheim Shoe Co., Chicago, vice-chairman, and S. W. Campbell, of the National Shoe Wholesalers' Association, secretary and treasurer. One of the objects will be to bring about closer cooperation between boot and shoe houses in order to promote friendliness in the exchange of credit information, and also to build up the attendance of boot and shoe delegates to the conventions. Definite conclusions reached by the club were that they make further efforts to develop the use of the trade acceptance throughout the boot and shoe trade, and also to bring into further use the activities of the interchange bureau of the association.

At the trade conference of the wholesale dry goods section held in connection with the Chicago convention on June 19, special attention was given to the reduction of excess stocks and merchandise through the urging of great care in buying, a matter of importance in helping the retailer to get ready for the period of readjustment.

The following minute was adopted:

"Resolved, Present conditions indicate strongly to us the necessity of reducing discounts and shortening our terms of sale and we urge immediate local consideration of this subject with a view to action later in the year tending towards uniformity in this respect."

It is probable that no credit instrument has ever received from business men such careful study as was given the trade acceptance by the 650 bankers and business men gathered at the conference of the American Trade Acceptance Council, June 17, at Hotel La Salle, Chicago, that being the day preceding the regular sessions of the annual convention of the National Association of Credit Men.

By this conference the acceptance was given a great forward push, the result of which should be to expand largely the number of users of trade acceptances.

Other important conferences on the trade acceptance have been held since this instrument was brought before the American business man, but that held last month differs from all previous conferences in that the discussions were not simply based upon the theory of the acceptance, but it was possible to have and there were able discussions on the practical use of the acceptance, because out of the agitation for its substitution for the open account has grown a large number of users who came to Chicago to tell their fellows what the acceptance had meant to them. The testimony was most remarkable as indicating the results that had been achieved by concerns who had made the change, and also in showing that the acceptance had been found adaptable to almost every line of business.

There were, besides the five-minute reports from those who are using acceptances, addresses by leading financiers and educators from many parts of the country, as for example:

Paul M. Warburg, vice-governor of the Federal Reserve Board, who, perhaps, had watched over the trade acceptance development from his high position more critically than any other;

Chas. A. Hinsch, president of the American Bankers' Association, who, as a Cincinnati banker, has handled a large volume of acceptances in the last few months;

Lucius Teter, a leading Chicago banker and president of the Chicago Association of Commerce;

Lewis E. Pierson, chairman of the American Trade Acceptance Council;

D. C. Wills, governor of the Federal Reserve Bank of Cleveland;

J. H. Tregoe, secretary of the National Association of Credit Men;

George Woodruff, a leading banker of Joliet, Ill.;

Morton H. Fry of the banking house of Bernard, Scholle & Co., large buyers of acceptances;

Chas. W. Dupuis of the Second National Bank, Cincinnati; whose institution has done much to advance the acceptance, and whose experience in the practical use of the trade acceptance is very wide;

Sylvan L. Stix of the trade acceptance committee of the New York State Wholesale Grocers' Association;

Forrest Ferguson, a prominent manufacturer of St. Louis, a pioneer user of acceptances;

Waddill Catchings of Goldman, Sachs & Co., New York.

It is sufficient to list these names to indicate the high type of speakers who addressed the conference.

Send to the National office for Trade Acceptance Forms, Introductory Acceptance Letter and General Literature.

Getting His Salesmen in Accord with the Credit Department

The June Bulletin told of a credit man who is getting under the skin of the salesmen of his house through monthly letters dealing with credit and sales interests. These letters do not deal alone with general principles, but are made interesting by reference to instances that come up in dealings with customers or by reproducing letters which have passed between customers and the credit department, quoted with a view to showing how the credit department is quietly and indirectly educating its customers to higher standards of credit. The May letter from this credit department, for instance, gave the salesmen copies of letters sent to and received from a customer, suggested by a study of the latter's financial statement, a copy of which had just reached the credit department. The credit department's letter was as follows:

"Dear Sir:

"This acknowledges receipt of yours of April 11, enclosing property statement. Immediately upon its receipt, we checked the order referred to in our earlier letter.

"I am going to be frank with you, and say that the statement looks good to us in every respect, with the exception of one item, namely, notes and accounts receivable. We observe that you have outstanding over \$2,000, and considering the number of failures we have every year, as a result of unwise credits, the writer is going to make a suggestion or two, which we trust you will accept without offense. Get in that money now. I hear you say that advice is all very good, and suggestions are fine, and if everybody could practice what they preach it would be great. As a rule, we can do what we set out to do, and if the farmers are owing you a lot of this amount, my suggestion is that you get their notes, endorsed by a responsible party, so that you can get the use of your money. Nobody has any right to take any offense in being solicited for payment of overdue accounts, and without any idea whatever of telling you what to do, or what the result will be, I want to say that it has been my experience from a credit standpoint, that the closer a merchant sells for cash, and the more promptly he collects his money, the more goods his neighbors will buy and pay for. It is a known fact that the average community considers their storekeeper a banker. They do not imagine that he needs any money, and this is a condition that we will have to overcome by continued pounding and education among small consumers.

"Pardon the foregoing. It is passed out honestly and for what it is worth."

The reply is interesting as indicating that the suggestion of the credit department was well received.

"Yours of April 15th, acknowledging receipt of property statement with comments received. You wish to be pardoned for your frank comments and suggestions called out by the statement. On the other hand, we wish to thank you for these comments. We wish every house we purchase goods from would have their credit manager do as you have done. We believe that by so doing, many well-meaning country merchants might be steered away from the rocks.

"We agree with you that we, and we doubt not many other country merchants, seem to be looked upon by our customers as bankers, lending them goods which are equivalent to money. Most farmers in this section seem to think if they settle their store bills once a year they are doing all that should be asked of them. It is hard to educate them to any other way of doing business, and the average country merchant has not backbone enough to insist that they settle at least every three months. I believe that we come in the class with the other merchants in this respect. We would be glad to have a national campaign carried out which in some way would teach them the necessity of paying as they go or at least once in three months. Without casting reflections upon any one in particular, nor upon farmers as a class, we have learned that most of our customers who agree to pay a bill on a certain day will not do as they agree in this respect, and we suppose the fault cannot in the end be laid on them, but on the merchant who allows the bill to run, even after the date it should be paid.

"Most merchants are not devoting enough time to this end of the business, probably, and in this way the customer's account is allowed to run past due too often. We think this is our case exactly, but your letter is timely and gives us new determination to look after the collection end more closely."

The same credit department, further to bring the salesmen into harmony with its efforts sends each a copy of the Bulletin of the National Association of Credit Men, asking that the salesmen read certain articles which best indicate what credit grantors in general are thinking about. There is no doubt that the result will be greatly to strengthen the esprit de corps of the house.

The Liberty Bond Appeal Introduced into Collection Work

An enterprising printer has conceived the idea that he can, by appealing to their sense of patriotism, get his slow customers to pay up. He has sent to all who have a balance on his books six months old or more a notice that if they will pay up now they can be assured that whatever they pay will be invested in war savings stamps or the next issue of Liberty Bonds. Thus, as he says, they will be performing a patriotic duty and at the same time get their accounts cleaned up if they take his suggestion.

The Bulletin is wondering if this announcement may not have just the opposite effect from that intended. Will it not likely tend to make the debtor, who has already become hardened to the idea of non-payment of an old account, say to himself that Mr. Printer really

is doing pretty well without this past-due money, if he can afford to use all he realizes in buying bonds, and does not have to use it in his business; or perhaps he will say, "I guess we can buy some of these stamps and bonds with this money ourselves, for if they are good enough for Mr. Printer they are good enough for us."

It comes down to the question of the right way to go at a customer. There are times to cajole and entice and appeal, but when the account reaches the six months stage it is about time to get the money because it belongs to you, and it is your business to press for it sternly, using every legitimate and proper means.

The Liability of Telegraph Companies for Negligence in the Transmission of Messages

The courts of the several American states have always been in serious disagreement upon the question of the liability of telegraph companies for their negligence in failing to deliver a message or in delivering an erroneous message. Telegrams are usually accepted for transmission only when written upon blanks supplied by the company. These blanks invariably contain printed stipulations limiting the liability of the company to specified amounts in case of errors in transmission.

The effect of these stipulations has also been a matter of disagreement among the courts. In many jurisdictions it was held that the sender of the message was bound by the contract stipulations, except in those cases in which they were found to be unreasonable. In other jurisdictions it was held that it was against public policy to permit telegraph companies to limit their common law liability for negligence by any form or contract.

In case the damage was sustained by the person to whom the telegram was sent, it is obvious that his rights would depend upon different principles than the rights of the sender who had made the contract; but upon the question of the liability of the telegraph companies to the addressee, the courts were also in disagreement. There is a very large number of cases printed in the reports in which the rights of the parties in controversies arising over the negligent transmission of telegrams have been passed upon, and owing to the failure of the courts to agree the result was that the rights of the parties depended upon geography rather than upon inherent right.

With respect to interstate messages this confusion has been corrected by Congress by the act of June 18, 1910, which amended the act to regulate commerce and vested in the Interstate Commerce Commission such jurisdiction over the rates and practice of telegraph companies as to bring under its control the rules of the telegraph companies concerning their liability for damages incurred by reason of error or delay in the transmission or delivery of interstate messages, and also declared that telegraph companies were common carriers.

This act has been construed to give to the Interstate Commerce Commission the right to pass upon the reasonableness of telegraph

rates, and to prevent inequality and discrimination with respect thereto. In fact, the fundamental idea of the Congressional legislature referred to was to prevent unjust charges and discrimination between patrons of telegraph companies and to insure uniformity in the quality of service and in the obligation assumed by the company in exchange for the payment to it of its lawful rates.

It is obvious that, if a telegram be accepted for transmission in New York to some one in Missouri and the company is held to a maximum liability of only \$50 for its negligence in transmission, while if accepted for transmission in Missouri to a person in New York, the company could be held liable for all the damage which could be proved, there would be a distinct inequality in the nature of the protection which the payment of the same charges secured for the parties to the two transactions.

Congress has also provided that telegraph messages may be classified into day, night, repeated, unrepeated, letter, commercial, press, government, and such other classes as are just and reasonable, and that different rates may be charged for the different classes of messages. It has, therefore, been held that the stipulations limiting the company's liability now usually printed on the back of telegraph blanks are just and reasonable, and that, when the schedules of a telegraph company establishing the rates at which telegrams of the various classes will be transmitted have been approved by the Interstate Commerce Commission, such limitations of liability are binding upon the parties and enforceable for the company's benefit.

The act of June 18, 1910, relates only to interstate communications; so that the rights of both the sender of a telegraph message, and of the addressee, in the case of intrastate messages are still subject to the ancient confusion and depend upon the rule established by the local courts either upon principles of the common law as interpreted by them, or upon the public policy of the particular state as declared by its legislature.

As a matter of theory there is much to be said against permitting common carriers, or public agencies of any description, to limit by contract their common law obligation to use reasonable care in the performance of their service or of limiting their liability in the case of failure to do so, but if, for an added charge, reasonable in amount, the telegraph company will undertake to insure the correct transmission of a message, it is not wholly unreasonable to require the sender to participate to that extent in the risk necessarily incident to a business which offers so many opportunities for mistakes.

Members of the Association having information regarding Geo. H. Chandler, trading as the Commercial Engraving and Printing Co., Asbury Park, N. J., are asked to get in touch with the National office.

The Bankruptcy Law

Feeling that the bankruptcy law was passed primarily for business interests and that every credit man should have a working knowledge of it, we announced last month that a series of short articles would be published in this Bulletin.

In every trade, business and profession certain terms come to have a restricted and sometimes technical meaning and so it is fundamental to a clear understanding of the bankruptcy law that the special terms used in it should be clearly defined. Our first study therefore will be upon a few definitions.

As used in the bankruptcy law the following words, unless inconsistent with the context, shall be construed as follows:

ADJUDICATION: The date of entry of a decree that the defendant is a bankrupt.

BANKRUPT: A person, firm or corporation against whom or by whom a petition for adjudication in bankruptcy has been filed.

COURT OF BANKRUPTCY: The United States District Court of the several states and territories, and Supreme Court of the District of Columbia.

COURT: May mean either the United District Court or the referee before whom the matter is pending.

CREDITOR: Any one owning a claim provable in bankruptcy.

DISCHARGE: Means the release of the bankrupt from further legal liability for all debts provable in bankruptcy with exceptions noted in the act.

INSOLVENT OR INSOLVENCY: When all the debtor's property, excluding any that may have been fraudulently disposed of to defeat creditors, shall not at a fair valuation be sufficient to pay his debts.

JUDGE: The judge of a United States district court.

REFeree: An officer appointed by the Courts of Bankruptcy to whom a case has been referred.

SECURED CREDITOR: One who has an assignable lien of some character on all or part of the bankrupt's property, or for whose debt some third person is liable under an endorsement or guarantee.

TRUSTEE: The person elected by the creditors to collect the assets, and to manage the estate.

RECEIVER: A person appointed by the court in case of necessity to preserve the assets of the estate pending an adjudication and election of a trustee.

PREFERRED CLAIM: "There is no such animal" recognized by the bankruptcy law because it primarily abhors "preferences."

PRIOR CLAIMS: Claims entitled to priority of payment because of their nature, such as taxes, wages, etc.

It may develop in further discussion that additional definitions will be advisable and as a guide the Bulletin would appreciate questions along this line. In fact, it is hoped that those who are interested in reading these paragraphs will ask questions as the sub-

ject is developed because they are being written to meet, if possible, the layman's natural inquiries and are not to be thought of as a treatise on bankruptcy.

Result of Figuring War Taxes into Merchandise Cost

P. E. Parrott, of the Battreall Shoe Co., of St. Joseph, Mo., in writing of the question whether it is sound policy to figure income and war excess profits taxes as part of the cost of manufacturing and merchandising, says, that in his opinion, it is improper to include this item in cost figuring, his reasons being as follows:

First: It was evidently the intention of Congress that these taxes should be just what their name implies—a tax on incomes or excess profits on the theory that such taxes would be less felt than if levied on production or consumption.

Second: If these taxes are included in the costs of manufacturing or merchandising, the burden is then passed on to the consumer, so that ultimately the consumer would pay the taxes.

Third: Prices are already abnormally high, and if the total of the war excess profits tax were added to the cost of doing business through the various processes of industry it would push prices still higher.

Fourth: The tax is contingent and indefinite in amount so that it cannot be accurately figured in advance.

It should be clear to all that if it became usual to figure the new taxes in the cost of doing business, there would be a tremendous pyramiding of prices, and, of course, new profits would be created against which there would be levied new taxes, followed by another pyramiding process, which could be pursued to an absurdity.

The Outlook in the Southeastern States

It is an encouraging report of business conditions that the Federal Reserve Bank of Atlanta has issued as of July 1.

Agricultural conditions could scarcely be better, the only complaint in this connection being the spread of the boll weevil in Alabama and southern Georgia. The planters met the situation by a change of crop so that the soil which was set aside for the planting of cotton is not failing to yield its harvest.

Labor conditions, of course, are not satisfactory, for it has been impossible to replace the men who have been called away from their regular pursuits to the war. The difficulty has been most acute in the iron and steel industries, which are suffering also because the wages now paid bring the workers an income not heretofore enjoyed, with the result that they are satisfied with the returns of three or four days of work against six days formerly. Moreover, skilled labor gravitates toward government operations on account of the high wages paid.

Results of Cooperation in Running Down Commercial Fraud

SHALANSKY CASE

The history of the Shalansky case, which has just been concluded by the sentence of Morris Shalansky to the Federal penitentiary for fraudulently seeking to obtain money through false financial statements as to his financial standing, sent through the United States mails, is a matter of national interest.

It is a case in which the Indianapolis association, in cooperation with the prosecution department of the National Association, worked with other interests to discover the facts and gave the Federal authorities every assistance.

The case itself began November, 1916, when Dora Shalansky filed a petition in voluntary bankruptcy at Indianapolis with assets of \$31,334.29, consisting of \$5,000 in real estate, \$18,000 in merchandise, \$7,500 in fixtures, and liabilities of \$51,715.62, made up of merchandise claims of \$45,515.62, an amount of \$5,000 to a bank, and \$700 to one, M. Sapirie.

The bankrupt had three stores, all in Indianapolis. The indebtedness was largely incurred during 1916, when heavy purchases of merchandise were made. The purchases were from over two hundred concerns, most of whom were owed sums of less than three hundred dollars. One hundred of the creditors were located in New York, twenty in Philadelphia, fifteen in Cincinnati, over twenty in Chicago, seventeen in Indianapolis, ten in Baltimore, and others scattered in Louisville, Cleveland and Boston, care having been taken, apparently, to distribute creditors and keep them apart.

The examination of the bankrupt and her son, Morris, developed that she was an ignorant woman of about 48 years, unable to write her name, and apparently entirely ignorant of the details of her business. Her son, Morris, a young man, had been in the management of the business since his father's mysterious death at Hotel Oneida, Indianapolis, a few years previous.

The only books they could present were a ledger out of which pages had been torn here and there, and a check stub showing checks issued during the previous month. It was claimed that there were no other books, Morris testifying that he made the practice of destroying his cancelled checks immediately upon their being returned to him by the bank. He admitted having made various credit statements to creditors during the summer of 1916 representing that his liabilities were only \$8,000, but he claimed statements were correct at that time. He also testified that during the months of July and August he borrowed from M. Sapirie in cash sums from \$300 to \$400 weekly and that no written memorandums had been made, and that by August, 1916, he was indebted to this relative in the sum of about \$4,500. In August also he had caused his mother, the bankrupt, to mortgage the real estate for \$3,500 and this money he gave to Moses Sapirie in cancellation of his debt. It was further brought out in the examination that as late as August, 1916, Morris had given out credit statements to show a net worth in the business of over \$67,000, on the strength of which statements he was able to buy goods for \$42,000 shipped in the fall of 1916.

The case first came to attention when the bankrupt offered a composition of twenty-five cents. This was declined and Endicott, Johnson & Co., one of the creditors, immediately communicated with all other creditors with a view to getting a line on the amount of claims. When the statements had been received, it was found that the property statement given by the bankrupt for the purpose of securing credit indicated the indebtedness for June 28, 1916, had been grossly misstated. The various false statements made to the creditors, transcript of testimony of Morris Shalansky and such papers and books as he was able to furnish were turned over to the United States District Attorney and investigation began in which there were detective agencies employed.

In May, 1918, as a result of careful detective work, the United States Grand Jury returned indictments on four counts against Morris Shalansky, alleging unlawful devising of a scheme and artifice to defraud and obtain money by false and fraudulent practices.

Endicott, Johnson & Co. and other creditors produced the credit statements made to them, and also proof of their having been sent through the United States mails.

Shalansky pleaded "Not Guilty" but later changed his plea to "Guilty," whereupon he was sentenced to three years' imprisonment at the Atlanta penitentiary.

Much credit is due in the handling of the case to Lawrence B. Davis of the Indianapolis bar, representing Endicott, Johnson & Co. and other creditors, in taking up the matter with the United States District Attorney, and in carrying on the prosecution.

The Shalansky case made a deep impression in Indianapolis, and the surrounding market, and the fact that so many creditors, though widely scattered, have found it feasible to get together for prosecution purposes is being widely commented upon.

TUGENDHAFT CASE

Through the efforts of the New Orleans Credit Men's Association, Chas. Tugendhaft of New Orleans was recently prosecuted and convicted for concealing assets in bankruptcy.

In December, 1915, Tugendhaft, who was doing business as the People's Furniture House, called a meeting of his creditors and offered to settle with them at twenty-five cents on the dollar. It was found that he owed \$50,000, and he claimed assets worth about \$11,000. The case looked suspicious, and the creditors, because the bankrupt had bought large quantities of furniture during the summer and was unable to explain satisfactorily what had become of it, declined to accept settlement and filed a petition in bankruptcy. Tugendhaft readily surrendered what he declared were all his assets, namely, stock on hand at \$10,000 and installment accounts of \$11,000.

E. Pilsbury, superintendent of the adjustment bureau in New Orleans, was elected trustee. By diligent work he found about \$27,000 worth of furniture stored in a warehouse which was claimed by another man. It was, however, marked "Chas. Tugendhaft" or "People's Furniture Company." On being ordered to show cause

why this property should not be sold by the trustee Tugendhaft became suddenly ill. The sale brought the bankrupt estate \$18,365.

Mr. Pilsbury and the New Orleans association are to be congratulated upon the successful fight they made in this case and for the energy with which they are seeking to break up fraudulent practices in that territory.

STROSCHEAN CASE

"W. A. Stroschan, who pleaded guilty and was a government witness in the trial of John Koelzer, with whom he was engaged in an out-and-out 'skin game' in the grocery business at Antigo, goes to the federal penitentiary at Leavenworth, Kan., for two years. They believed the law could not touch them beyond giving them civil judgments, but did not figure out that ordering goods by mail, without any intent to pay, was a postal violation."

This brief notice, published recently in a Milwaukee daily, brought much satisfaction to the members of the Milwaukee association because it was through the activities of the local credit interchange bureau in gathering information from members and others that orders with original envelopes attached were handed over to the post office inspector, on the basis of which convictions were secured.

Better Maintenance of Highways Assumes Prime Commercial Importance

At the convention of the National Association, held last month in Chicago, a resolution was offered and unanimously adopted calling for the better maintenance of our highway system, the demands upon which have of late been tremendously increased, in order to supplement the railroad transportation facilities of the country.

Highways between our large cities have been wearing out rapidly and the various localities have been postponing repairs, first, because of the excessive expense of materials and labor and also because it was felt that the federal government had taken an attitude hostile to any considerable road-building and maintenance program.

The whole question has been recently before the Council of National Defense, which has lately recognized the necessity of highway improvements. Finally the policy has been established that road-building during the war shall be directed to roads that are of prime importance for economic and military purposes, and a committee has been created in Washington to carry out this policy, with Logan Waller Page, director of Public Roads and Rural Engineering, as chairman. Other members of the committee are representatives of the War Department, of the War Industries Board, of the Fuel Administration, and the United States Railroad Commission.

This committee will request state highway commissions to submit to it plans for road improvement which the committee will approve or disapprove according to their importance to the war program as military, industrial, or food highways. The committee will also ask state commissions to cooperate on maintenance of highways

already constructed, and on construction of roads that are vitally important to the prosecution of the war, it being understood that local road materials shall be used so far as possible, in order to avoid rail transportation and that bond issues be avoided except in cases of urgent necessity.

Possibilities of Wonderful Rebirth through Purchase of War Savings Stamps

Savings and thrift will reveal new objects to our people. The editor of the Financial Chronicle sees in the thrift and economies of our people as expressed in the purchase of war stamps a rebirth of wonderful possibilities. He writes:

"Whether it be pursuit or possession the cumulative effort of a people through savings and thrift sets up a new motive power, reveals a new object. The stoic is as foolish as the epicurean. The most precious things in life are the cheapest—labor, love, joy—each to be had for the asking. We long for our ship to come in, we strain our eyes toward places and palaces, and while we work in field and factory, we look with rapt eagerness upon our 'castles in Spain.' There are landscapes of the soul far surpassing these. A look within will bring them to view—thoughts on helpfulness, aspirations for service, homes made happy, friends fastened with 'hooks of steel,' smiles awakened in child faces and security dowering the eyes of age. And then rushing from this cloister of contemplation in the human soul what divine activities flow out over the world! From neighbor to neighbor, from community to community, from state to state, these elements of the 'simple life,' these introspections and efforts, turned away from the hectic rush of men for power and possession, wash the wide earth with spiritual waves of contentment and peace. All these things War Savings Stamps do.

"This national effort to conserve and save, this sacrifice of some of the material interests we have, must react to make us richer in the finer, the immaterial, powers and prerogatives. We shall have new interpretations, new estimates. If the old values fade, new values appear. A frugal people becomes a contemplative one. What is lost in the tumult is gained in calm. Life has fewer failures for the road is open and free. Conflict subsides, for wealth lies in character and the intangible possessions of soul, that cannot rush or be taken away. Here is a socialism of the spirit that is practical because it alone is the real. Peculiar to the individual, self-contained and endowed of the infinite, the liberty to feel and think embodies the liberty to serve and to sacrifice, and the communal good no longer depends upon 'government,' which takes its place as a ministerial agency to be controlled rather than to control. Far and wide run the influences set up by the simple expedient of reducing life, through savings and thrift, to its spiritual essence and equation. And we may hail this one appointed day as the augury of an epoch to come when our industrialism shall be but an indispensable means to a 'higher life'—a world remade even by the dread alternative of war."

Is It Mexico's Idea of Exchanging Information?

A certain banking institution, a member of the Association, had occasion recently to ask for information regarding a party located in one of the principal cities of Mexico. The first inquiry was directed to the office of a large American company having a branch in the Mexican city, and the second inquiry to a party given as reference by the person seeking credit.

The reply from the American branch was characterized by that directness and sincerity which comes from American credit department training. Nothing was left to inference, but the facts were told frankly. The letter read as follows:

"I wish to acknowledge receipt of your letter of the 4th instant, in which you request information regarding one, _____, of this city. I might state that Mr. _____ is now in jail, having killed one of his friends in the local Casino. I hope this is sufficient information regarding his general standing and credit responsibility."

The letter received from the Mexican party who had been given as reference was couched in the following euphonious language:

"Replying to your esteemed favor, Mr. _____, about whom you make inquiry, is an honorable person of good mercantile aptitude. Up to a short time ago he had established an office where he handled commissions of a mercantile nature, and also the sale of bonds and stocks. On May 5th, last, due to an incident which it is not necessary to go into, he was detained by the authorities. At the present time he remains in custody while a matter in the courts is being adjudicated."

The contrast between these letters will interest the credit man; the first with the cold facts briefly expressed, the second being an attempt to make light of a hideous crime and obscure the real facts by indirection.

The Bulletin hesitates lest it draw a general conclusion from a single instance, but is led to wonder whether the second letter does not well illustrate the characteristic suaveness, indirectness and obscurity which would make the Mexican an unreliable source of information in that system of credit interchange such as we have tried to establish in this country.

It would be interesting to have those members who have business connections in Mexico advise whether we have in the Mexican business man just such characteristics as this letter seems to illustrate and if so, whether we are not confronted with a serious difficulty in incorporating him into a reciprocal credit interchange system.

Members of the Association are reminded that they have at the National office the most elaborate files that have ever been gathered treating the subject of collection agencies, and no arrangements should be made without consulting these files to turn over to an agency accounts for collection. The information the files contain is to be had without charge, membership in the Association entitling a member to this service.

***The Trade Acceptance Has Transformed the Business of the Millers of the Pacific Northwest**

W. S. ALLEN, Assistant Manager Fisher Flouring Mills Company.

The trade acceptance method of extending credit was put into effect by the flour mills of western Washington on July 1, 1917, and it is necessary to go back previous to that date to show the benefits derived from the use of the acceptance.

The open-account method put the mills in a dual capacity—that of seller and that of banker.

Practically all sales were on "open account" and the terms were 2 per cent. 10 days, or 30 days net. These terms, however, were abused and really meant nothing. The discount period was interpreted in the cities as 2 per cent. on the 10th of the following month, which at times might mean, if a sale were made on the 2d of the month, 2 per cent. in 40 days or a discount in 10 days more than the net terms. In the country 2 per cent. in 30 days was usually taken. This abuse of the discount naturally caused an abuse of credit and many accounts ran 60 and 90 days and even longer. This condition required constant dunning on the part of the collection department and the assistance of the sales department to collect these delinquent accounts. But using salesmen as collectors reduced their efficiency and old accounts led to numerous unjust claims. Long credits meant a large list of bad debts. Interest on delinquent accounts was easy to charge but attempts to collect led to so many disputes that as a general practice interest was not collected.

The "open account," briefly, meant an abuse of terms of sale, loss of interest, unearned discount, unjust claims, bad debts, all of which meant *disputes, disputes, disputes*.

About April, 1917, the millers and grain dealers of Seattle, Tacoma and Everett held a meeting and decided to go out of the banking business and adopt the trade acceptance method, as urged by Manager Shephard of the Federal Reserve Bank at Seattle. The signed endorsement of bankers in seventeen towns in western Washington was first secured. This endorsement was printed and enclosed in a letter to the trade announcing that after July 1, 1917, we would discontinue "open accounts" and would sell on the following terms:

30 days net covered by trade acceptance or $\frac{1}{2}$ per cent. for cash, sight draft, or payment by first mail after receipt of acceptance.

The discount of $\frac{1}{2}$ per cent. is based on 6 per cent. money and the object of allowing the discount for check by return mail was to satisfy such customers who might have been in the habit of discounting and also because of the impracticability of selling in some towns on sight draft or C. O. D. terms. Acceptances were sent to every customer with the invoice for amounts of \$25 or over and for smaller amounts acceptances were sent twice a month, even for amounts as small as \$1.

*Before Washington State Bankers' Association, June, 1918.

The first objection to our terms came from the discounter because of the reduction of discount. This we could satisfactorily explain, as we had reduced our prices 2 per cent. and had abandoned the practice of a trade discount in favor of a cash discount based on actual value of money. The discounter further complained that $\frac{1}{2}$ per cent. for cash was too small a discount and that we were in league with the bankers to prevent their getting a fair discount. To this we replied that we were offering them the same discount that the bank would charge us and that we would rather have our customers discount the acceptances than to have our bankers do so. To-day we hear little about discount, except when an occasional customer takes discount in 10 days when he should have paid in four or five.

The practice of special discounts for prompt payment of accounts is a relic of the Civil War when discounts of 2 per cent. to 6 per cent. were given on staple articles; in fact, discounts of 6 per cent. in 10 days and 4 per cent. in 30 days were given. The trade acceptance has corrected this unjustifiable premium for discounting, and also practically eliminated all the disputes about unearned discounts.

We had less difficulty than one would imagine in getting our customers to sign acceptances. Every banker in the western part of Washington was advised as to what we had written our mutual customers—we coached our sales force—terms were clearly stated on orders, and literature was mailed.

I do not mean to convey the idea that we did not receive any objections, for some of our customers were most strenuous kickers. In our letter to the trade we stated that if we had not made ourselves quite clear, they should write us, or be sure to ask their banker. One customer replied:

"You say—'be sure to ask your banker,' you might as well 'tell your troubles to the submarines,' and as to this banker's endorsement which you enclose, of course the bankers are not fools and they know a good thing for the bank when they see it."

This was particularly interesting, as the writer of the letter was also the president of the bank in the town in which he operated the store.

The principal objections advanced by the customers were that they never signed notes, that they never paid drafts, that it interfered with their bookkeeping and that it reflected on their credit. The difference between a note, draft and trade acceptance was explained, and it was proven to them that an agreement to pay for goods in accordance with the terms of sale was a help to their credit, particularly so when their banker saw the acceptances coming through regularly and the necessary money in the bank on date of maturity to pay same.

As an illustration—we are to-day granting larger credits under the trade acceptance method than we did under the "open accounts" for the reason that we know that our customers are doing business on a *sounder* basis than ever before,

As to the bookkeeping complaint—bookkeeping is the retailer's weakness, so we always send our customers two acceptances, one to be signed and returned to us, and the other to keep for a "follow up."

To some objectors we call attention to the fact that the trade acceptance is being urged by the Federal Reserve Bank, that it represents a government policy, and that it is the business man's patriotic duty to further its use. The objectors to the acceptance to-day are few, in fact, many who objected have become real "boosters." Retailers that were poor credit grantors and poor collectors have been brought to change their methods, and many who believed they could not change their ways are surprised at the satisfactory results.

The trade acceptance has done wonders for the millers, and all who have tried it would not go back to the old method of "open accounts." It has reduced our outstanding accounts, and has made all accounts *liquid and negotiable*. I should not say all, because when an acceptance does not come back it has to be treated as an "open account" and collected. No further credit is granted, however, because our terms are "discount or trade acceptance," except, of course, to federal, state, municipal, public service and such other corporations as are not in a position to sign; but exceptions are kept to the minimum.

As to interest, before we used the acceptance we rarely if ever collected interest without a dispute, which meant a disgruntled customer. To-day the customer *expects to pay* interest and considers it a *favor* if extra time is granted. If a customer desires 60 days' credit and he is worthy we grant it, but we include 30 days' interest in the acceptance. If a customer requires extra time he usually writes us before due date of acceptance. If an acceptance is not paid at maturity and the customer is asked to state what day he can pay the account, then a note with interest to due date is taken unless it is necessary to force collection. The trade acceptance has *given* to the miller the interest he is entitled to without *any disputes*.

As to unjust claims, these were formerly made when accounts were past due, and to collect same strong methods were necessary; in fact, at times suit with all its hazards had to be resorted to. *To-day* claims have to be made before the acceptance is signed or the acceptor has no standing. Unjust claims are now few and far between, and I can say to you that the trade acceptance is responsible for this improvement.

As a comparison of outstandings, on March 31, 1917, under "open account" method, our "accounts receivable" were equivalent to 48 days' sales, whereas on March 31, 1918, under trade acceptance method, our "accounts receivable" were equivalent to 32 days' sales. This is a reduction of 16 days without forcing collections, and in spite of the fact that under the "open account" method there was a very advantageous discount, whereas to-day the discount is strictly a cash one— $\frac{1}{2}$ per cent.

Just consider, with credit averaging \$10,000 per day that this means \$160,000 more working capital, to say nothing of our outstandings being in a negotiable form for emergency use.

BAD DEBTS—Our losses for the past 11 months under trade acceptances are 21 per cent. of corresponding preceding 11 months under open account. This is easily accounted for because losses invariably come from old and delinquent accounts. To-day, due to the acceptance, we should know on the 31st day as to whether an account is paid. *If the acceptance is returned marked "N. S. F." it is the "fire-bell" to the credit man to get busy.*

A doubtful account will usually pay an acceptance and let the "open account" wait.

The only party justly entitled to oppose the trade acceptance is the poor business man, the undesirable credit risk, or, in other words, the man we are all trying to dodge.

There are several ways in which a banker can materially assist in furthering the use of the trade acceptance, and one is a uniform method of handling. Acceptances should be handled as checks, by charging them direct to the customer's account without any further reference to the customer.

To the banker, however, is due a great deal of the credit for the good work he has rendered the millers in furthering the trade acceptance with our customers, but there is still work to do and we feel sure of their hearty cooperation.

In this connection, one of the prominent bankers of the Northwest, realizing the bank's legal responsibility as to charging the acceptance to the customer's account, and not wishing to offend his customer, and at the same time desiring to further the use of the acceptance, has adopted the policy—on the arrival of an acceptance to request the customer to call at the bank. He states to the customer that the acceptance has been charged to the customer's account as directed by law. If there is any misunderstanding about the acceptance method it is then cleared up, but to be doubly sure, this banker has the customer sign a card which authorizes the bank to charge all acceptances to his account. This card is taken for the effect it has on the customer and to make him realize his responsibility.

Such is the cooperation we need from the bankers to make the acceptance universal.

There are two other minor matters which require attention:

Acceptances marked "N. S. F." should be returned just as promptly as checks.

Acceptances made payable at a bank should be presented to that bank and not direct to the customer.

With the bankers' assistance in the educating of mutual customers to the value of the acceptance, and also with the bankers' cooperation in the standardizing of the method of handling the trade acceptance, a greater volume of good business on a sound basis can be credited to the benefit of all concerned.

Just as the increased use of the checking account has increased the volume of business that can be transacted, so will the use of the trade acceptance still further build up the volume of business handled, and the trade acceptance, being built on the basis of a charge for the use of the money involved, is not only a sound but a profitable instrument from the bankers' viewpoint.

The miller should take a further step forward in this trade acceptance movement. Up to date he has generally made a point of not discounting acceptances. It is my opinion that in the interest of furthering the use of the acceptance, if a banker should request that mutual customer's acceptances be sent to him for discount the miller should comply with this request.

The trade acceptance has worked wonders—it has made the retailer a better and safer buyer, a better credit man, a better collector, and a respecter of terms of sale. It is making him a better merchant. The quicker the acceptance is generally adopted the quicker the reduction in retail failures.

The trade acceptance has given the miller liquid accounts receivable, reduced bad debt loss, made possible the collection of interest, has almost eliminated unjust claims, has made for greater efficiency of the selling force (since salesmen can give entire time to selling), in fact, it has practically done away with disputes, made business a real pleasure and made more nearly possible undivided attention to constructive business endeavor.

Last, are the benefits to the banker—the trade acceptance sends to the bank the business that properly belongs to it. It makes more desirable risks, it gives the banker a good line on his customers' method of doing business and permits of more liberal accommodations; it means two-name paper—in fact, creates better business.

The value of the trade acceptance to the buyer, seller and banker is so apparent that it is not understandable why it should ever be necessary to argue in favor of it.

Our experience with the trade acceptance should convince all of the greater need for more earnest cooperation between all parties concerned, and that more efficient, economical and patriotic methods of doing business should be our sincere study.

Necessary to Making a Success of the Trade Acceptance

On being asked what was the secret of his success in getting customers to sign acceptances, W. A. Isham, of the Harley-Davidson Motor Co., made the following interesting reply:

"Too many concerns who contemplate using the acceptance approach the subject with fear or doubt. I have heard so many say, personally or by letter, that they are going to try the acceptance out on a few of their customers in order to see how it works. Approaching the matter in this way, I do not wonder that some concerns are not successful.

"Personally I feel that my success in the use of the trade acceptance is remarkable in that we have introduced it with 95 per cent. of our bicycle business. Now this does not mean that we are selling to one class of people or that only one class of people is to be educated, for bicycles are handled by everybody from mail carriers, who have a little spare time on their hands, farm implement concerns, hardware concerns and furniture stores, department stores, sporting goods houses, garages, repair shops, and in the south in many cases by druggists and jewelry stores.

"Our success is largely due to the fact that 'we were sold' to the acceptance from the outset, and were firmly convinced we were

going to make good. When I see a concern putting in a small stock of forms of acceptances, deciding that it will give the system a trial, I am reminded of the story of the negro preacher who had called a meeting of his congregation to pray for rain. After the congregation was seated, the preacher, in disapproving manner, finally said in his dialect: 'Sistern and Brethern: I fear greatly for your hereafter. I think that your chances of going to Heaven are small for you are without that necessary quality of faith. Here you are assembled to pray for rain and not a one of you with enough confidence in your prayers to bring your umbrellas with you.'

Merchants Have It in Their Hands by Creating Liquid Instruments to Offset the Tendency to Inflation

In the early days of the advocacy of the use of the trade acceptance, that instrument did not find a sustaining voice in that important daily known as the "Wall Street Journal." It was apparently skeptical of the utility in American commerce of the trade acceptance method. How completely it has altered its opinion is best set out in an editorial presented this month under the significant title "Service Without Sacrifice."

Every business man should read these comments because they convey a broader reason for the adoption of the trade acceptance than that of getting one's accounts in a little better shape. The editor says:

"It is time the business public should be fully awake to the value of the trade acceptance. Its use does not stop at the substitution of a negotiable security for only an assignable account—an account which could not be assigned en bloc without an act of bankruptcy. The acceptance is an important part of the business assets now securing over \$1,600,000,000 of Reserve notes. Merchants to this day do not seem to have realized how liquid a security is thus afforded against inflation, their own worst enemy, and how greatly that security tends to the maintenance of gold stocks intact.

"General stocks of gold are now over \$3,000,000,000, an amount far beyond the calls of normal conditions but not too large for the exactions made on it by our direct share in the war, and to sustain a great mass of non-liquid business on a scale sufficiently large to respond to the government's bond and tax necessities.

"No more essential home service could be rendered than to study the office of the acceptance and to adopt it wherever it can be done. Its introduction is based on the reasonable demand that domestic trade as far as possible should employ domestic credit and support itself therefrom. The demands of the government, of international trade and of the large amount of private business in which the acceptance cannot be used all increasingly necessitate a stabilized gold basis.

"Our home merchants are fortunately placed. They are not confined in recourse. They may cling to methods of settlement wastefully calling for the employment of metallic reserves outside of which the government itself has nothing to which it may make

final recourse. Or they may with the fullest security and dispatch use those quick assets of their business which are valuable to themselves alone.

"What must be said of the man who with full knowledge should still begrudge a simple service open to him only and calling only for the sacrifice of some quaint and obsolete opinion? Are we to despise from prejudice a reservoir of sound credit which made London the financial center of the world?"

A Responsibility That No Banker or Business Man Can Avoid

From a Message Addressed by ALBERT BRETON, of the Guaranty Trust Company, to the Bankers of New England.

Forgetting all local interest and taking a broad view of the situation as it exists at present, that is to say, realizing that we are at war and that we must face the facts, we should consider that the government is planning to spend \$24,000,000,000 during the next fiscal year and is insisting upon a taxation program to yield about \$8,000,000,000; that our banking institutions will be called very soon to assist in the moving of very large crops, among which the wheat and cotton crops alone are estimated to be worth not less than \$2,000,000,000 each; and that the enormous tonnage of the shipbuilding now progressing all over the country, amounting to not less than 13,000,000,000 tons dead weight and 2,000 ships, the large government contracts, and other war business will require many billions of dollars. It is time, therefore, for all the people to begin to understand as never before the absolute necessity for mobilizing and safeguarding our credit resources. Most of our cash resources will presumably be required and should be expected to float our future Liberty Loans or to carry United States certificates of indebtedness, whereas our foreign and domestic trade should be almost exclusively handled through commercial credits.

The Federal Reserve System, fortunately, constitutes the largest reservoir of available credit in the world, and the most elastic system of credit may be found in bank and trade acceptances. Europe has practiced it for two centuries and our own government is to-day backing it through the Federal Reserve Board. Why should we hesitate, therefore, to adopt it in the present emergency, when our sole aim is to go the limit in our man power and in our banking resources to save civilization and perpetuate democracy.

The Trade Acceptance in Conditional Sales Contracts

The use of the trade acceptance in settlement of accounts in transactions where merchandise is sold on the conditional sales contract is a matter of considerable interest in a number of lines of business.

The Bulletin has given attention to this question and has reached the conclusion that if the purchaser in a contract of conditional sale becomes obligated to pay the purchase price in all events, so that judgment would go against him for any unpaid

balance, it is then proper to represent the transaction by a trade acceptance. The mere fact that the vendor, as additional security, retains title to the goods sold, is probably immaterial. If the purchaser binds himself to pay for the goods, the transaction represents a current commercial transaction within the spirit of the rule relating to trade acceptances.

It is to be observed, however, that the contract of conditional sale should not be a part of the trade acceptance instrument, certainly if it is the intent of the vendor to discount it or to make it eligible for rediscount, in as much as the Federal Reserve Banks would probably be reluctant to purchase paper complicated with conditional sales contracts, contract liens, chattel mortgages or any similar conditions.

It is noted, too, that a number of states require the filing of the conditional sales contract as meeting part of the requirements of the law, and therefore the trade acceptance would be precluded from use for discount. It cannot serve both purposes.

The vendor should clearly understand that the receipt by him of the purchaser's acceptance is by way of additional security only and is not to be referred to as a payment, but as a method of settlement. He should furthermore remember that the local laws regulating the filing of conditional contracts be complied with, because the filing of conditional sales contracts is not related to the trade acceptance given for the purchase price.

Material Dealers Adopting the Trade Acceptance Settlement

The St. Louis Material Dealers' Association has been doing some effective work in introducing the trade acceptance in the building material line. Early in the year it sent a notice to the trade that after March 1 all settlements for materials would be by trade acceptance unless advantage were taken of the discount for cash.

In introducing the trade acceptance to their trade, the members of the association issued a carefully drawn letter explaining as fully, yet simply, as possible, what the trade acceptance is, what is behind the adoption of it, and what the acceptance means so far as the buyer's credit is concerned.

The result, says Secretary Thompson, has been most satisfactory, for while there has been some opposition to the trade acceptance on the part of the contractors who refuse to sign, a majority of the members report that the introduction of the system has been responsible for a marked improvement in the payment of accounts, and they no longer have to carry accounts far beyond the due date, as they had to frequently in the past, for terms of sale had come to mean something definite, whereas previously they apparently were not thought of as part of the sales contract.

One of the members of the St. Louis Material Dealers' Association says that since the adoption of the trade acceptance the number of customers who take advantage of the cash discount has increased from twenty-five to fifty per cent., and that in addition forty-two per cent. pay their accounts at maturity. In other words, only about

eight per cent. of the customers now pay their accounts late, which all who know anything about the building material line will agree is a wonderful record.

Trade Acceptance Brevities

One of the largest and best known companies in the country, the American Chain Company of Bridgeport, has been using trade acceptances with excellent results. During the year it handled several hundred thousand dollars in acceptances, all of which have been taken care of promptly at maturity, no requests for renewals being made.

This company's customers include the best in the automobile accessory line to whom this method of settlement was offered last year. Some customers preferred to pay by cash in ten days, thus gaining the discount. Off-rated customers were offered bankers' acceptance terms, but only two acted on this suggestion, probably because the others could not make satisfactory arrangements with their bankers.

Altogether the experience of the American Chain Company with the acceptance has been most satisfactory. Needless to say, from the broad standpoint, acceptances of prime quality were created by them a matter of interest and importance in the effort to give the acceptance that standing which its best friends have been working for.

Not only is the Robeson Preserve Products Co. of Port Huron, Mich., deeply interested in the development of the trade acceptance principle, but it is desirous of backing up its interest with a substantial contribution to be used in carrying on acceptance publicity.

President Lyman writes that his company is more than anxious to have the gospel of this form of payment for merchandise spread to every section. His company is setting an example by pressing the matter of the acceptance until his concern is both giving and taking trade acceptances in every possible instance. While, he says, his company is not so large that it can afford to assume a heavy share in the educational work which must precede general use of the acceptance, he asks for the privilege of aiding the council's educational work to the extent of five hundred dollars per year for two years, and hopes the offer may be accepted.

This offer is indicative of the interest which has been aroused in the trade acceptance. Probably never before has the business world studied a new business method more thoroughly and closely than it has during the past two and one-half years been studying the trade acceptance, and if this study and interest be consistently pursued there is no doubt that at the end of another equal period the volume of trade acceptances will be very large.

The Southern Supply and Machinery Dealers' Association in convention in Cleveland, May 15, 16 and 17, passed resolutions favoring and endorsing the trade acceptance as a method of settling for purchases not made on cash discount terms.

Three states, Connecticut, Massachusetts and New York, have recently enacted legislation permitting investment by savings banks in bankers' acceptances.

As a rule, the acceptance investment by savings banks in the states named is limited to 20 or 30 per cent. of the deposits and surplus held by each savings bank. The law limits such investments to bills accepted by national banks or other members of the Federal Reserve System. Also there is a limit of from 3 to 5 per cent. to be invested in any one name or by any one bank.

With all these restrictions, however, the new facility for investment granted to savings banks will serve to help in creating a place for bankers' acceptances and on the other hand the banks will be helped by these acceptances, for they will have in them safe, short and liquid investments, which are not subject to the risks of depreciation that characterize even the best of bonds.

The banks always will have available secondary reserves to meet unexpected withdrawals of deposits, because the acceptances are immediately convertible into cash by sale or discount to their commercial banking connections or direct to the Federal Reserve Bank or to brokers in the open market.

A member concern located at Brooklyn, N. Y., in summarizing its use of the trade acceptance, states that between May 2 and June 1, inclusive, it had mature seventy-seven trade acceptances, aggregating \$17,493.97. Of these acceptances, one amounting to \$92.06 was protested; four anticipated due date by sending their checks direct so that their acceptances were recalled from the bank before maturity, these amounting to \$1,372.36; three amounting to \$648.75 were extended in part, and the balance representing sixty-nine acceptors in number amounting to \$15,380.76 were paid at their own banks in regular order. Altogether this company has had maturing 116 acceptances amounting to \$23,666.33, of which \$133.45 were extended in full, \$1,047.31 in part, \$3,014.25 sent checks before maturity, one protested amounting to \$92.06 and the balance of \$19,379.26 paid upon presentation at customers' banks. The company is steadily increasing the number of customers sold on the acceptance and is thereby improving its collections.

The National Electrical Credit Association, which held its nineteenth annual meeting at Chicago during the week of the convention of the National Association of Credit Men, went on record as favoring the use of the trade acceptance. The report of the special committee on this subject showed that as a result of a questionnaire conducted by the committee, it had been found that 70 per cent. of the members who answered were users of the trade acceptance.

CENTRAL CHATS



MEETING the Hun requires physical fitness. Consider what might happen were men taken from off the streets and put on the firing-line without accustoming them to physical hardships and toil of a battle life.

But to meet the daily problems of civilian life and those of the future also requires physical fitness. To overstrain the body; to tax it beyond reasonable endurance without the training that will give resistance and resilience is just as foolish and will be as surely attended with failure.

The thought of tomorrow means preparation to-day, and as the training for the fighting front makes strong bodies and clear brains, so does the training for the problems at home in the form of preparedness which will make men equal to their tasks and help them to live and to act with a firmness and a courage that reckons with nothing but success.

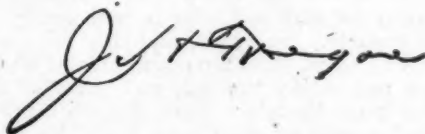
MATERIALISM might not stop at the thought but right thinking men are beginning to understand that in the world of business, nothing is comparable in its control or a safer guide when the channels of commerce become intricate than character.

Put money in thy purse is the controlling impulse of some; put character in thy soul is a sounder doctrine and will stand the test of ages.

Think what it might have meant to the world had character and not the lust of conquest controlled the ambitions of Prussian war lords. Think what will happen when these unjust ambitions are rebuked and character fixes its impress on the dealings of men with one another and insists upon equality of opportunity and justice for all.

Business character is rated as a chief element in a credit risk above capital.

To analyze character is a task. It cannot be separated from a man. It is the man himself expressing in his living the divine principles causing him to prefer to live in poverty rather than that honesty and integrity should be violated.

A handwritten signature in dark ink, appearing to read "J. H. Morgan". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

*Terms of Sale

SHOULD THEY BE SHORTENED AND HOW SHOULD THE RETAILER SELL HIS MERCHANDISE TO THE CONSUMER?

C. F. LETTS, Western Grocery Company, Chicago, Ill.

The government is asking all to save and surely there is no better way to teach people to save than to ask them to pay their bills promptly. I find an illustration in my own family. My children are on an allowance and I insist that they live on it and not go in debt. A few weeks ago my daughter asked that I let her have her allowance one month in advance. I asked her the reason. She said there was a dress she was anxious to buy. I told her to wait until the money was due. She agreed, though a bit reluctantly. When her allowance check was given her, I said: "All right, dear, now you can buy that dress. Her reply was interesting: "Dad," she said, "do you know I have made up my mind that I can get along without it."

Here is what I mean: Long and easy credit has made people live beyond their incomes and has kept many a man from getting ahead financially.

Let us say that your terms to customers are sixty days, four or six months' time on your sales. The retailer feels that pay-day is a long way off; he puts his goods out to the consumer on about the same basis, and many a consumer is anticipating and spending or rather contracting to spend something he has not yet earned. If we shorten the terms just as much merchandise will be bought and consumed, but the money will be spent after it is earned.

If my daughter had been allowed to overdraw her allowance, she would no doubt have gotten the habit. If we shorten terms, so will the retailer and the consumer will then, as before stated, spend his money after earning it and you will find fewer failures among retailers.

There never was a time in the history of the United States as opportune for shortening credits as now. First, the government is asking that it be done, if not in so many words, certainly by tacit understanding. Again, labor is getting higher wages, the farmer higher prices than ever in his history and as a rule he is getting it in cash. Why should they not pay as they go?

Long terms were started when there was a real necessity in the early days of the country when banks were few and money was scarce, but this has all changed. Farmers sell their stuff largely for cash and labor is paid weekly, twice a month, or at most monthly. So why should they not pay their bills in the same way? Again, short terms and prompt settlement is doing the retailer a real service and will save many of them from failure.

Here is the thought: Some day when this awful world war is finished, everything must come down, for as is the old saying: "What goes up must come down." Wages and all commodities must decline, and the man—be he retailer or consumer—who has run in debt based on his present income or salary, or the price of his

*Before Grocery and Food Products Conference at Convention of National Association of Credit Men.

corn, oats, wheat, etc., will find himself unable to pay. Coupled with the big declines in merchandise on hand, many a retailer will not be able to pay and will become a bankrupt. While, on the other hand, if the jobber shortens his terms as to payment, the retailer will do the same with the consumer and when the reaction comes, all will be in better shape to weather the storm. So again I say, **WE ARE DOING THE RETAILER A REAL SERVICE** by shortening terms.

I want to repeat, what I have said in my talks several times, what a successful retailer once said to me about Mr. Higinbotham, who was the successful credit manager for years for Marshall Field & Co., and was later president of the World's Fair. This retailer said: "I feel that all I am worth is due to Mr. Higinbotham." "Why?" I asked. "I came from the east and opened a general store in Manchester, Iowa. I bought my first bill of dry goods from Marshall Field & Co., discounting the bill. I continued to discount for some little time, but as I was lenient with credit, I reached a point where the best I could do was to meet my bills at maturity. One spring I bought a very large bill of dry goods to be paid for in the fall. I had large sales, but I was trusting the goods out. Shortly before the bill came due I found it was going to be impossible to meet it, so I sat down and wrote Marshall Field & Co., telling them the situation and asked for an extension. I never dreamed that they would not grant it.

"Mr. Higinbotham wrote me a letter. He said: 'I have noticed your career since you went into business. You discounted your bills for a while; you then met them at maturity and now you are asking an extension. The reason for this is, I know, because you have not been collecting your accounts as you should. I am going to refuse to extend the time on your account for two reasons: First; because Marshall Field & Company expect their money when the bill falls due; secondly, I will be doing you a real service to make you pay the bill, because it will mean you will have to go out and collect your accounts.'"

The retailer, as he himself said, was angry when he received this letter, but he saw that he would be compelled to meet the bill at maturity and accordingly went out and collected enough of his accounts to pay the bill in full. After this, on careful thought, he made up his mind that Marshall Field & Company had done him a real service. He saw the relative importance of the collection side of his business.

At the time he talked to me he had retired with a snug fortune. He never again had to ask for an extension; for Mr. Higinbotham had taught him a lesson; he knew that if his account had been extended, he would have been asking a like favor times without number; would have been trusting out his goods to Tom, Dick and Harry, never figuring on pay-day and probably the result would have finally been to fail. He felt he owed a debt of gratitude to Mr. Higinbotham.

A farmer, whom I had known for a number of years, decided to move to town that he might give his children a better education than they could secure in the country. He sold out, went to town

and entered the retail business. I sold him his opening stock. He discounted the bill, and for some time discounted. Then he began to meet his bills at maturity. Then he fell behind and we had to carry him. We continued to carry him for we knew he was well fixed and that we were selling him the bulk of his merchandise.

There was a crop failure and as he depended largely upon country trade, he failed. I went to see him, for he owed us quite a bill. The first thing he said: "Frank Letts, you are the cause of my failure." This surprised me and I said: "Chris, why do you say that? We have certainly been good to you."

His reply is significant:

"That's the trouble. I made a success of farming; I believed everybody was honest and I trusted every one who wanted to buy goods of me. You did not force me to pay my bills. Had you done so, I would have forced my customers to pay me and I probably would be in business to-day; but you were so easy that I was easy with my trade. The crop failure came, many tenants who owed me large bills have moved away or cannot pay me a cent. I am to-day a bankrupt and getting along in years. I shall never forgive you for not teaching me business methods and forcing me to pay your bills when they came due."

Here was a lesson I learned in my early business career. It made a great impression on me and since then I have tried to be a teacher and helper to our friend the retailer, teaching him the importance of paying his bills on short terms and at due date, and of collecting from his customers in the same way.

Babson, the statistician, of Wellesley Hills, in his May Bulletin, says:

"GRANT CREDIT WITH CARE

"Clients should not permit their credit work to become perfunctory simply because business failures both in number and in amount of liabilities have steadily decreased from the high points which prevailed in the early part of 1915 almost without interruption. Prices have increased almost 90 per cent. since the beginning of the war and the growth of business during this same period has been even better. Under favorable circumstances such as these, it is not surprising that practically all the concerns in business can keep going. We do not anticipate any immediate widespread business depression. In general, failures will continue at a comparatively low figure. However, certain lines cannot hope to escape trouble indefinitely and we believe that every client should begin to exercise keen discrimination when granting credit. As the war continues, there will be increasing handicaps imposed upon those industries which do not contribute directly or indirectly toward the war program. Middle men especially will be impeded by difficulties in getting merchandise. Many concerns will become disheartened by the increasing hardships and will abandon their business. This is the type of risk to watch most closely."

You know there are many theorists. They think they know how any given work should be performed. I do not know how it is with some others, but the man who has never succeeded in any given

undertaking, but tells how it should be done, makes no impression on me. On the other hand, I am pleased to listen to the practical man who has succeeded in any given undertaking, for from him I can gather inspiration to do better, for you know we never should be too old to learn. We must learn as we go along for the world's work is constantly changing and unless we keep up with the procession, we are liable to sit on the fence and see it go by and become known as a "has been."

The business world has changed radically. It is time that we recognized this and with it the necessity of shortening terms of sale. True, we are in the wholesale grocery business, but terms of sale are comparative whether they relate to wholesale drugs, dry goods, hats, caps, clothing, boots, shoes, or hardware. I have no patience with the wholesale grocer or credit man who says: "Of course you may be able to do it in your territory or in your line of business, but it cannot be done in our territory or our line." To this I invariably reply: "All territories and all lines of business look alike to me."

About two years ago I was in a business meeting in Chicago. The credit man for a large wholesale clothing house was lamenting the fact that their outstandings were large and they were losing a good deal by bad debts, etc. I suggested that they shorten terms and collect more promptly. He was so interested that after the meeting he kept me and insisted on talking his affairs over with me for an hour or so. He gave me figures as to his business and I told him what I would do. He said: "All right, we either have to change or fail."

Just the other day, in going to the station to take a train home, I met this man on the street whom I had not seen for some time. He stopped, shook hands with me and said: "Letts, my concern will never get over thanking you for the good advice you gave in regard to changing and shortening terms, and collecting our accounts. We never dreamed it could be done. We have done it, we are more successful than we ever have expected to be and under no consideration would we go back to the old long-term way of doing business."

I had a talk some years ago with a wholesale grocer. I knew the man well, for I had met him at several conventions. I had always supposed he was doing a successful wholesale grocery business. He wrote that he wanted to see me. He was surely in the dumps. He said: "I am afraid we are going to be compelled to sell out, go out of business or fail."

I asked him why? He said that he had a line of credit through some brokers, he had been given a line to start with of \$100,000. It was so easy to get money that he became careless and he thought the way to increase his business—and he should increase it because he could get money so easily—was to be lenient and grant long terms to his customers. He had increased his line to \$150,000. The money market tightened up. The brokerage concern said they could put out no more paper for him and that he must meet the paper as it matured. He said it was absolutely out of the question, it could not be done.

He had prepared a statement. I looked it over and I said: "There are two things wrong. One is that your merchandise stock is too heavy for the size of your business. Another is, that your outstandings are ridiculously high. They are more than 200 per cent. of a month's business. Now, you must change your ideas and your way of doing business. You must collect your past-due accounts and you must say to your customers that you are going to change your mode of doing business, you are going to sell nothing beyond thirty days and that bills must be met at maturity."

He threw up his hands. "It is impossible," he declared, "because I have given these easy terms to my trade. If I now undertake to change I will lose all my business."

I laughingly asked him which he would rather do, lose some business or fail. He said it was a desperate case. I said something like this to him: "Now, I am not interested in you except as a fellow wholesale grocer. You are a smart merchant and there is no reason why you should not be a success. Now, if I help you to get some money to tide you over and take care of this paper which is falling due, will you follow my advice?"

He promised he would. I took him to a banker in Chicago. I introduced him to the president. I told the banker the condition of the business, that it was good, except that it needed temporary help, and I wanted him to loan this concern \$50,000. The banker said they were not taking on any new accounts at that time, but I said: "It is a desperate case. It is good and I ask as a personal favor that you loan this man this amount of money."

The banker finally consented. The jobber went home and issued a notice to his trade, a diplomatic note explaining that he had changed his terms. He told his traveling men that from then on nothing would be sold out of the house to exceed thirty days and the customer who did not meet his bill at maturity could buy no further goods.

I kept in touch with him and one year later he came into my office, wreathed in smiles and showed me his statement. He had actually increased his business and he showed a splendid statement. There were less than thirty days on his books, and instead of owing \$150,000 in the way of borrowed money when he first came to me, he had but \$20,000 borrowed. If I would give you this man's name and you would investigate or talk to him, he would tell you that the shortening of terms and prompt collections was the only way to do business. So I say, all territories and all lines of business look alike to me.

We, in our business, have the reputation of being frank with any one who is honestly seeking information. I know of no better way of proving that we practice what we preach when we advocate the shortening of terms and collecting promptly.

Several years ago we decided that long terms in carrying customers was not good business. It was not beneficial to the retailer. I got my first inspiration from the transaction which I quoted a little while ago regarding my experience with the farmer who became a merchant. We used to have at the end of the month on

our books 200 per cent. of the month's business and often even more than this.

We started in to reform. We set a goal that we must get our business down so we would not have to exceed 150 per cent. of a month's business on our books. When that was reached, we set our figures at 135 per cent. and again it was reached. We then set our figures at 125 per cent., and I well remember that when our annual meeting was held on the first of 1916 we adopted the slogan for that year of an average of 115 per cent. of a month's business on our books. We kept it before our credit managers and our several managers constantly. They, in turn, kept it before the salesmen and I am pleased to say that we reached our goal and we pushed it over. We again lowered the figure for 1917 and that goal was that we would not average to exceed 100 per cent. of a month's business.

This year we are still improving and we confidently expect that when the year's record is shown, we shall not show to exceed 80 to 85 per cent. of a month's business on our books; and I am sure there is not a manager or credit man with us who would go back to the old way of long credits.

We, of course, have many houses in our organization to figure one against the other. We have proven beyond a doubt that the house which collects the closest, doing it always, of course, in a firm but diplomatic way, is the house that increases its business most and makes the most money on capital invested. When we figure to have 80 to 85 per cent. of a month's business on our books, counting twenty-six working days average per month, this will mean we shall not have to exceed twenty days' accounts on our books. At the rate we are going, as above stated, we shall reach the goal. March and April average was about 83 per cent. May average was 78 per cent.

When I give you these percentages, that is, the average for the whole, as we have some houses doing much better than others.

We have adopted classifications: All houses under 75 per cent. are in first honor class, AAAA; from 75 to 80 per cent. are in second honor class, AAA; from 80 to 90 per cent. are in third honor class, AA; 90 to 100 per cent. are in fourth class, A; 100 to 110 per cent. are in fifth class, B; 110 and over are in sixth class, C. But we say to those who are in class B and C that they will not pass final examinations.

Here is how the different branches came out for May:

First honor class, AAAA, under 75 per cent.:

No. 1. .43 per cent.	No. 4. .62 per cent.	No. 7. .70 per cent.
No. 2. .52 per cent.	No. 5. .66 per cent.	No. 8. .71 per cent.
No. 3. .56 per cent.	No. 6. .66 per cent.	No. 9. .71 per cent.

showing nine houses were under 75 per cent.

Second honor class, AAA, 75 to 80 per cent.:

No. 1. .75 per cent.	No. 4. .78 per cent.	No. 6. .79 per cent.
No. 2. .76 per cent.	No. 5. .79 per cent.	No. 7. .79 per cent.
No. 3. .78 per cent.		

Third honor class, AA, 80 to 90 per cent.:

No. 1. .82 per cent.	No. 3. .86 per cent.	No. 5. .89 per cent.
No. 2. .84 per cent.	No. 4. .87 per cent.	

Fourth honor class, A, 90 to 100 per cent.:

No. 1. .95 per cent.	No. 2. .96 per cent.
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Fifth class, B, over 100 per cent.: Only two in this class, and they tied at 102 per cent.

It is going to be but a very short time before each and every house in the Western and National Grocer Companies will be considerably under 100 per cent.

These figures are furnished to our managers and credit men monthly. Then our auditors carry it along by taking up and classifying salesmen individually, and I quote you from a letter issued to the salesmen of the Western Grocer Company by our general auditor. The letter is under date of June 11th. He says:

"To the Salesmen:

"We are handing you herewith list of salesmen classified as to their outstanding percentage on June 1, 1918. It is pleasing to note the increased membership in the AAAA class, which in May included the names of six salesmen and on June 1 the names of fifteen salesmen."

He then gives the names of those who were in the April classification AAAA and those who have been added to this class in May. He says:

"All of the above named gentlemen retained their membership on June 1 and are to be congratulated. The nine new members who made the grade in May and who are now to be included among the elect are as follows, etc. Our hats are off to the new members and we hope next month to welcome many more of you to the AAAA class.

"It is hardly practical in this letter to take up and discuss all the shifts in position shown by the list, but there has been a general improvement and the officers of the company appreciate it.

"A glance at the list will give any individual salesman his standing and let him know whether he has kept up with the game or not.

"The AAA class shows an improvement from seventeen on May 1 to twenty-three on June 1, making a total increase in the AAAA class and the AAA class of fifteen. This is good.

"The other classes, of course, show a decrease corresponding to the increase in the AAAA and AAA divisions. It is particularly pleasing to note the shrinkage in the C and D classes. The D class is not a very enviable one for a man to find himself in and my advice is to move on and get into better company."

Then follows the name of every salesman and his percentage.

I hear some saying that such strenuousness in collections will drive away trade. Believe me, when I again repeat that done in a

diplomatic way, the retailer likes the system, for it gives him strength to shorten his terms.

Take our branch that leads with 43 per cent. of its month's business on the books, or about twelve days. This house is located in an old lumber country in Michigan. It used to have a high percentage of outstandings and when we would talk to the management and the credit man in regard to cutting down the percentage, they would say: "It cannot be done in this territory, Mr. Letts. The trade has been educated for years and years on long credits and if we undertake to shorten terms, we will lose all our business."

We finally decided that the management and credit manager were not in sympathy with our way of doing business, so we made a clean sweep some three or four years ago, putting in a new manager and a new credit man, who had been educated in other branches and knew "it could be done." The facts are, that the business of that house has more than doubled in volume, and instead of having 200 per cent. of a month's business on its books it now has, as I have shown you above, 43 per cent.

I want to tell you about the house that shows 75 per cent. June 1. We purchased this concern about four years ago. It was an old house, having been in business for fifty years, and we found it with over 200 per cent. of a month's business on its books. We inherited their credit manager. We tried to show him our methods in collections, but the same old story: "The trade has been educated the other way. If we undertake to collect more promptly we lose the business."

We decided if we had to lose the business we would build up a new clientele, but to do this we were compelled to make a change in credit manager, putting in a man who had been trained under our method. In a diplomatic way the new man commenced working on the accounts, showing the retailer it was to his advantage either to discount or meet his bills at maturity. He weeded out some of the slow ones who never could be taught. We let their trade go elsewhere or we educated them in our way of doing business, and each and every month there has been an improvement shown until the 1st of June, when this branch had but 75 per cent. of its month's business on the books. And the business of this house has more than doubled in volume since we took it over.

I have told you regarding the house that has the smallest percentage of outstandings and that with 75 per cent. outstanding. Now I will tell you regarding the one that has the highest percentage, namely, 102 per cent. This concern we bought about a year and a half ago. It was in a territory where the wholesale grocers had educated the trade to long terms. We found it with about 200 per cent. of outstandings on the books. It was said that we could not get this house in such a territory into our way of collecting. We knew better, for, as above stated, all territories look alike to us. We have been working slowly but surely and every month has shown a good improvement. It has gotten down now to 102 per cent. It will be but a short time when it will be under 100 per cent.,

and later we expect this branch to get the accounts down more in keeping with the balance of our houses. Their business has increased well.

These illustrations go to show that the change can be made without hurting business.

We are constantly getting letters from our competitors saying that their shortening of terms cannot be done. Here is a letter I have just received from a good friend who is largely interested in a financial way in the wholesale grocery business, though it is not his regular business. I have had considerable correspondence with him and I sent him the percentage of outstandings of our company for May. Replying, he says, in part:

"I am just in receipt of your letter of the 10th and have gone over it with a great deal of interest, as I have your many other letters which you have been kind enough to send me.

"Letts, I am not a wholesale groceryman, as you know. I have handled the _____ business for thirty-five years, to my mind, in a satisfactory way. There is no institution in the country, competing with us or in the same line of business, who have collected as closely or run their business as well, in my judgment, as our company. When I undertake to introduce the same methods in the wholesale grocery company, I am met with the statement 'it might be all right in your business, but will not do in the grocery business,' and my associates can give me more good reasons why it cannot be done than I can give why it will.

"I know, as you do, that the fundamentals of business are the same whether it be groceries, lumber, hardware, hats, caps, boots, or shoes that are concerned. There is only one way to run and that is the way you are running it.

"Honestly, I am ashamed of the percentages our institution shows. I know that in the territory which we work there is no excuse for having the outstandings which we have now as there is no better territory in the world in which to collect.

"I have had this matter up with our managers over and over again, in fact, it is my weekly song, but I have not been able to accomplish what I wanted to and we are, as you know, a long way short of your good figures. However, I have not given up and I am still after them, but I will confess that I am a little discouraged with the amount of money it requires to run our business." And the strange part of this is that the concern works the same territories that we do.

The trade generally is awakening to the fact that terms should be shortened. I have in my files letters just gotten out by the Bay City wholesale grocers. It is signed by all five houses in that city and it says:

"To Our Customers:

"The United States Food Administration advise that they will enforce general rule No. 5, pertaining to discriminatory charges and special terms of discount to favored customers, and they will frown upon a continuance of this practice, and they will hold a customer receiving same equally responsible with the jobber.

"In order to comply with the commission's request, we find it necessary to adopt the following terms, which will become effective with every one June 1, 1918, and any previous arrangement in effect to the contrary will be canceled on that date.

"All bills will become due and payable net cash in thirty days or may be discounted in the regular way.

"Customers may also take advantage of the following plan: Statement for the first fifteen days' business will be presented and may be discounted if paid in full on or before the 25th of the month.

"Statements for the last half of each month will be presented and are discountable if paid in full on or before the 10th of the following month.

"We are not permitted to give or accept datings or do anything which may be considered discriminatory.

"Do not ask us or our salesmen to depart from these terms as we cannot do so, and please note carefully that failure on the part of the purchaser to take advantage of discount within the prescribed limits must result in the loss of the discount.

"As explained above, these terms are made necessary in order that both wholesaler and retailer may comply with the law and we believe you will be quick to realize their fairness and will accept them in your usual patriotic and American manner.

"Yours very truly,

"BAY CITY WHOLESALE GROCERS."

This same sort of thing has been adopted in a good many towns where we are located. Really, when it comes right down to it, it is simply a matter of not being afraid of your competitors, but running your own business on a business plane.

A few months ago I learned that a large customer at one of our points was receiving special terms. I immediately wired the manager that he must take it up in a nice, diplomatic way and tell the customer we could not give any special terms to any one. The manager was afraid of offending the customer and thought he would lose him, but his instructions were positive so he went to see the customer, talked it over with him and fixed everything satisfactorily and we still get the business.

Everything is comparative in this world, and the same percentage by shorter terms is applicable to small or large business. To show you what this means, the Western and National Grocer Companies sold in May \$3,310,196.40, and had in the way of accounts and bills receivable \$2,579,705.02, or 78 per cent. of the month's business.

Now, suppose that we had had 150 per cent. outstandings, we would have had on our books \$4,965,294.60, as against what we do have, \$2,579,705.02, a difference of \$2,385,589.58. This even at 6 per cent. per annum means a difference to our companies of \$143,135. It matters not the size of the business, for all is by comparison.

But how should the retailer sell his merchandise to the consumer? As light follows darkness, so will the retailer follow the

jobber. Shorten your terms and so will he, as he then has an excuse for it with the consumer. I feel, without going into the question at too great length that the retailer when he takes an account should have a plain understanding as to how he expects his bills to be paid, and then insist upon terms being lived up to. It requires a little backbone, but no one likes a jelly-fish, and the retailer who is firm, in a diplomatic way, gains the respect of his clientele.

Speaking about the retailer having an understanding and then living up to it, I was told a story by a large manufacturer of harness, who sold his wares to the farmers. He told me that a farmer had come in and wanted to buy six sets of harness. He asked if he could have sixty days in which to pay for them, saying that he surely would pay at the end of that time. The harness man consented.

At the end of sixty days the farmer came in and said: "This bill is due. I will pay it if you say so, but I have a chance to invest the money in some cattle and I would like to use it for that purpose."

The harness man, hoping to please the farmer and not needing the money particularly, granted a further extension of sixty days. At the end of the sixty days he again appealed to the harness man for a further extension, giving a good excuse. Again it was granted. This purchase was made in the early spring. At the end of the last sixty days the farmer neglected to come in. At the end of the year a statement was sent the farmer and he came to pay his bill but full of anger. He paid it, but he said he would not trade with this harness man again.

In telling the story the harnessmaker said: "The terms were plain. He was perfectly willing, if I had insisted upon it, to pay at the end of the sixty days, and there is where I made my mistake. If I had insisted I would have kept a customer, but by being too easy I lost a customer."

I have in mind at this moment a retailer in the grocery business in a thrifty suburban town near Chicago. His trade is large. It is made up of all classes, the wealthy as well as the workman. He found he was getting too much on his books and that he was not able to discount his bills. He tried to get the retailers in his town to join him in shortening terms but they were all afraid.

This man, not being afraid, got out a carefully worded letter to the trade last fall, telling them that the war had changed everything, that terms must be shortened, and while he would be glad to grant credit to those who were good, all bills must be settled not later than the 10th of each succeeding month. In other words, goods that were bought in May must be paid for by June 10th, and anyone who did not feel that he could pay his bills in this way he could not sell. He told me only a few days ago that he never had done so much business nor such satisfactory business, showing that the consumer is glad to live to terms, when they are firmly laid down.

It takes nerve to change terms or abuses of long standing. As an illustration, the Chicago Telephone Company had allowed a practice to grow up that any one could call up and ask the time of

day. With the hundreds of thousands of subscribers it got to be a very expensive proposition. One night, at a Commercial Club dinner in Chicago, one of the officials of the Chicago Telephone Company was telling what a nuisance the custom was and how expensive it had become to keep it up, that they thought of cutting it out. He asked the opinion of the gentlemen assembled around the table. We all said it could be done, but it would require a little nerve. A few days later a notice came out in all the newspapers of Chicago saying that hereafter the Telephone Company operators would not give any one the time of day, and the newspapers of all Chicago applauded it.

Long distance telephoning had become quite expensive. Retail customers from a distance would use the telephone and say "Reverse the charge." Some wholesale grocers got together and said: "We will cut it out." So they notified their traveling men and the trade generally that hereafter no reversed telephone charges would be paid by the houses. The change was made without a whimper.

So I say it takes a little nerve to cut out irregularities which have been in vogue for a good while, but the better-thinking class applaud the act because they know what is business as a rule.

There has been issued by the American Eagle, Continental, and Fidelity-Phenix Fire Insurance Companies of New York placards of striking design intended to contain the roll of honor of firms and corporations. Or in other words, the names of the men the concerns bearing them have sent to the service of the Army and Navy. The issuing of this form of honor roll was suggested to the three companies named by reason of the fact that they had given a hundred and twenty-five of their employees to the service.

The attention of the Bulletin has been called to the activities of a party representing himself as R. M. Reade, of the F. P. May Hardware Co., Washington, D. C., who has been getting cash on checks presented from Salem, Mass., to Tulsa, Okla., purporting to be drawn by the May Hardware Co. to Reade's order, and countersigned by R. D. Howe, secretary and treasurer. The May Co. states that these checks are absolute forgeries. The National Office should be notified at once if this party presents himself to a Bulletin reader.

W A N T S

CREDITS, COLLECTIONS AND ACCOUNTING:—At present connected with a large tire manufacturing concern in capacity of assistant credit manager. Good education, thoroughly experienced and competent in above lines. Very good reasons for desiring to make a change. Address ADVERTISEMENT No. 371.

CREDIT MAN AND OFFICE MANAGER, 14 years' experience as cashier and office manager and 4 years in charge of credits and collections of concern doing over two million dollars per year in

N. Y. office. Connection with first-class concern where attention to business is appreciated of more importance than large salary at start, provided there is a future. Will furnish full details by mail but prefer interview. Address ADVERTISEMENT No. 363.

CREDIT MANAGER, wide practical experience, American, capable executive, correspondence and collections. Undeniable references. Address ADVERTISEMENT No. 364.

CREDIT MANAGER AND ACCOUNTANT, with considerable N. Y. City experience, will entertain offers who will pay \$2,100 per annum to start. At present with high-class retail furniture shop. Draft exempt. Address ADVERTISEMENT No. 365.

CREDIT MANAGER wishes to make a change to a position with a good future. Thoroughly experienced in the handling of domestic and foreign credits. Capable correspondent, with excellent record and credentials. Age 36; married. Address ADVERTISEMENT No. 366.

CREDIT MAN, OFFICE MANAGER, age 30; married; out of draft. Nine years' credit experience, is open for immediate engagement. Expert in credits and collections and office management; A-1 accountant, conversant with commercial law. Locate anywhere. Salary moderate. Address ADVERTISEMENT No. 367.

CREDIT COLLECTOR, OFFICE MANAGER, ACCOUNTANT, of twelve years' experience, age 39. Past three years have managed credit and collection department of a business amounting to five million dollars per year, and reduced losses to less than one-eighth of 1 per cent.; work in harmony with large sales force, conversant with all details of a large business, also an attorney. Will consider connection with large corporation or firm for reasonable compensation where opportunity for advancement is assured. Satisfactory references, details will be furnished by correspondence. Address ADVERTISEMENT No. 368.

CREDIT MAN, OFFICE MANAGER, ACCOUNTANT, twenty years' experience with prominent New York concerns. Conversant with all details in conduct of same. Also with importing, exporting to principal countries. Complete details and convincing references given in personal interview or correspondence. Address ADVERTISEMENT No. 369.

CREDIT, COLLECTIONS AND ACCOUNTING—At present connected with a large tire manufacturing concern in capacity of assistant credit manager. Good education, thoroughly experienced and competent in above lines. Very good reasons for desiring to make a change. Address ADVERTISEMENT No. 371.

Addresses Wanted

Abond, A., formerly operating as the Titan Mercantile Company, Titan, Tenn., now believed to be somewhere in Michigan.

Benriter, J. F., formerly at 1 Fifteenth Street, Toledo, Ohio.

Berkowitz, Mrs. Jennie, formerly conducted a store at 949 Columbus Avenue, New York City.

Cannon, M., formerly of Chicago, now thought to be in New York City.

Clinton, Paul O., formerly at Louisville, Ky., acting as proprietor of the General Advertising Co.

Crystal, Samuel, formerly in business at 592 Third Avenue, New York City.

Ginther, Sam, formerly at 47 South Main Street, Port Chester, N. Y.

Glaros, A., formerly at Main and Liberty Street, Alliance, Ohio.

Graves, Mrs. A. D., formerly at Kellerton, Iowa.

Hankin, H., formerly at Smith's Crossing, Novelty, Ohio, and prior to that time was located at Cleveland.

Helton, A. L., formerly president of the Helton Auto Supply Co., 323 Occidental Building, Indianapolis.

Hitchcock, Fred, formerly at 104 Dayton Avenue, Collingswood, N. J., now thought to be in New York City.

Holben, F. D., formerly at Clark and Elisha Streets, Waterloo, N. Y.

Honiss, Stuart, formerly in Newark, N. J., and later at 8340 Carpenter Street, Chicago, Ill.

Howland, Mrs. Ida, of Flagler, Colo., last heard of at Denver, Colo.
 Jones, Pearl, Ola, Ark., formerly at Little Rock, Ark., address care
 Draughton's Business College.
 McColl, F. R., formerly in St. Louis, Mich.
 McCord, Charles, formerly at 1345 Washington St., San Francisco, Cal.
 Inez, Mrs., or Frank Osborne, Redding, Iowa, formerly located in Des
 Moines, Iowa.
 Outhoudt, Charles D., formerly of 1723 E. Michigan Street, Lansing,
 Mich.
 Peters, Will H., 5221 Kimbark Avenue, Chicago, Ill., formerly traveling
 around the country doing decorative work.
 Shanders, M., formerly of Syracuse, N. Y.
 Simpson, R. Warfield, formerly located at 1745 Pearl Street, Jackson-
 ville, Fla.
 Sweeney, Dr. Francis L., formerly at 123 South Street, Philadelphia, Pa.,
 recently operating a drug store in Detroit under the name of the
 Fraser Drug Company, of which he was a partner.
 Wall, Mrs. Ida, formerly of Brooklyn, N. Y., 107 Washington Street.
 Wiseman, J. J., proprietor of "The Hub," Huntsville, Mo.
 Wolfert, Miss L., formerly at 3840 Broadway, Chicago, Ill.

ASSOCIATION NOTES

Atlanta

At the recent annual meeting of the Atlanta association the following officers were elected: President, E. S. Papy, White Provision Co.; first vice-president, H. S. Collinsworth, Gramling-Spalding Co.; second vice-president, W. L. Percy, Dobbs-Wey Co.; treasurer, James J. Ragan, Ragan-Malone Co.; secretary, Harry T. Moore.

The association has recently been devoting its efforts to increasing the membership with very gratifying results. The returns of one day alone showed an increase of fifteen.

Birmingham

At the annual meeting of the Birmingham association, held May 28, the following officers were chosen: W. L. Wilson, of the Goodall-Brown Dry Goods Co., president; T. M. Nesbitt, of the Moore-Handley Hardware Co., vice-president; J. A. Coker, of the Birmingham Paper Co., secretary, and W. C. Bonham, of the C. C. Snider Cigar & Tobacco Co., treasurer. Despite the many responsibilities of the members in connection with the war work the association has had a successful year.

Fort Wayne

The Fort Wayne association, at its May 24 meeting, had the pleasure of listening to an address by Frank R. Hamburger, secretary of the Detroit association, on "Amendments to the National Bankruptcy Law." At the conclusion of Mr. Hamburger's talk time was given for a discussion, which was led by B. F. Heath.

Grand Rapids

At its May 21 meeting, the Grand Rapids association elected its officers for the ensuing year, as follows: G. J. Wissink, president; John D. Karel, vice-president; C. L. Ross, treasurer, and Walter H. Brooks, secretary.

E. A. Meves, the retiring president, was presented by the members with a handsome traveling bag as a token of their appreciation of his work during the year. An interesting program was given, which included

a stirring patriotic address by Edward L. Quarles and a talk on the work of the Chamber of Commerce of the United States by Lee M. Hutchins, who is known as the dean of the Grand Rapids association.

Kansas City

Charles F. Hoerr, president of the Home Bank & Trust Co., of Chicago, was the principal speaker at the annual meeting of the Kansas City association, held May 29. His address on the subject: "The Building of the Credit Man" was particularly interesting and appreciatively received.

Frederic Knight Logan, composer of the "Missouri Waltz," who has been entertaining the boys at Camp Dodge, was a guest at the meeting and gave his interpretation of a number of his popular pieces. The annual election resulted in the following officers being chosen: F. B. Rose, of the American Screen Manufacturing Co., president; Walter Everley, of J. W. Jenkins' Sons Music Co., first vice-president; R. E. Beebe, Swift & Co., second vice-president, and J. F. Franey, secretary-treasurer.

Lincoln

At the May 20 meeting of the Lincoln association, E. W. Nelson, of the Rudge & Guenzel Co., was reelected president and A. H. Powell, of the Kormsmeier Co., was reelected vice-president, Guy C. Harris, of the Schwarz Paper Co., was elected secretary-treasurer.

W. A. Selleck gave an interesting and helpful talk on the subject: "Business as Affected by War Finances." Several talks on other topics of particular interest to the association were also given. All signs point to a very active and successful year for the association.

Muncie

Already President Goddard of the Muncie association, following hard upon the Chicago convention, is planning to make the September meeting the most important yet held by that active association.

Special emphasis is to be laid upon services to be rendered by the association to manufacturers and consideration also is to be given to what the Muncie association can do further to help in winning the war. President Goddard will also take up the matter of forming a Trade Acceptance Council, made up of bankers and business men, into which the retail trade will be invited also.

All these matters were discussed at a meeting held June 27, when the representatives of the Muncie association to the Chicago convention reported upon their observations, C. H. Lanyon speaking of the trade conferences, Secretary Clark on the prevailing spirit of conventions, F. R. Rose on the necessity of scrutinizing credits this year with unusual care because of the demands created by the government, F. E. Bracken on the bankruptcy law, Henry E. Kuhner on the social and business aspects of the convention.

Nashville

President James T. Jenkins of the Nashville Credit Men's Association is asking his fellow members to turn their minds to certain questions appropriate to the present conditions, and be ready to talk over their conclusions at the next meeting in the fall.

Some of these questions relate to the increased profits which the increased expenses of doing business necessitates, whether it is wise for the credit man to exert his influence looking to the shortening of terms of sale, whether now is the time when it is fair to expect the retail merchant to pay his bills with greater regard for the terms upon which they were sold. Mr. Jenkins asks his fellow members to consider also whether they can conveniently provide billions of money appropriated by Congress to the war, and the additional billions loaned to the Allies, while business

men continue to tie up four billions of their business capital in open accounts.

Portland

An attempt that is being made to enlist the interest of the children in fire prevention by the fire marshal of the city of Portland is most interesting and without question the children are to receive impressions that will have lasting effect.

One of the large theaters arranged to give a morning to the fire marshal, when moving picture films illustrative of fire prevention and the rescue of children from a burning building were exhibited. They were followed by one or two other films of a strictly entertaining sort. The fire marshal then gave a talk in which he urged the boys and girls to give him their assistance, after which an army officer made an address, the latter so that the children might have the best sort of instruction combined with a fine entertainment.

St. Joseph

At a recent meeting of the St. Joseph, C. D. Morris, publisher and manager of the St. Joseph Gazette made a stirring talk on the subject of "Behind the Firing Line." He declared that it is the duty of every man to consecrate his comings and goings that all his energy might be devoted to the perpetuation of the ideals on which our country was founded. He pointed out that it is necessary that the country become autocratic in order to win the war, but that the nation must not continue to fix prices, regulate industry and control railroads after the war in direct contradiction to the principles upon which the country was founded. "The moment we go in for permanent state ownership," he declared, "that moment we Germanize ourselves. Now of course we must lay aside personal feelings and prejudices and help the Government to our utmost win the war."

St. Paul

At the annual meeting of the St. Paul association the following officers were chosen for the ensuing year: Levi T. Jones, of Noyes Bros. & Cutler, president; W. G. Anglim, of Whaley & Anglim Co., vice-president, and W. R. Olsen, of Finch, Van Slyck & McConville, secretary-treasurer.

Under the efficient leadership of its committees the association has had a most successful year. The membership has been increased from 302 to 342 and the surplus in the treasury has been materially increased, so that the association is now in the soundest condition in its history.

Sioux City

The Sioux City Association elected new officers for the year: G. N. Silzer, President; W. F. Teter, vice-president; C. W. Johnson, secretary; R. R. Brubaker, Treasurer.

H. C. Reed announced that an advertising campaign in the interest of prompt payment of accounts, and keeping one's credit good, was to be conducted through that good friend of the association, the Sioux City Tribune, an advertisement appearing each week. The funds for the campaign, about \$1,200, were subscribed by members of the association, he said, and by some retail merchants, out of it, he said, there were expected results worth many times the cost of the campaign.

Tacoma

The annual meeting of the Tacoma association was held May 14 at the Tacoma Commercial Club. W. B. Henderson, district agent of the Bureau of Foreign and Domestic Commerce, made the principal address of the evening, dealing with the subject: "The Effect of the War on

Commerce." Ralph S. Stacy, president of the National Bank of Tacoma, gave an interesting talk on: "The Financial Condition Brought About by the War."

Reports of the various committees were read and the activities of the year were outlined in an address by President S. M. Collins.

Utah

The annual banquet of the Utah association was dispensed with this year owing to the feeling among the board of directors that it was out of place in view of the fact that the nation is at war. A smoker, which was well attended, was substituted and new directors were elected to succeed those whose terms of office had expired.

DIRECTORIES

Directory of Officers of the Affiliated Branches of the National Association of Credit Men

(Arranged Alphabetically by States)

- ALABAMA, Birmingham**—Birmingham Credit Men's Association. President, W. L. Wilson, Goodall-Brown Dry Goods Co.; Secretary, J. A. Coker, Birmingham Paper Co.; Assistant Secretary, R. H. Eggleston, Chamber of Commerce Bldg.; Manager, J. T. Slaten, 321-323 Chamber of Commerce Bldg.
- ALABAMA, Montgomery**—Montgomery Association of Credit Men. President, F. G. Salter, Durr Drug Co.; Secretary, Leo Gassenheimer, Mercantile Paper Co.; Assistant Secretary, J. M. Holoway, Bell Bldg.
- ALABAMA, Selma**—Selma Association of Credit Men. President, W. I. Block, Block Bros.; Secretary, R. S. Carothers, Selma Hardware Co.
- ARKANSAS, Fort Smith**—Fort Smith Association of Credit Men. President, W. J. Murphy, W. J. Murphy Saddlery; Secretary, John Laws, Atkinson, Williams Hardware Co.
- ARKANSAS, Little Rock**—Little Rock Association of Credit Men. President, T. E. Burrow, Beal-Burrow Dry Goods Co.; Secretary, _____.
- CALIFORNIA, Los Angeles**—Los Angeles Credit Men's Association. President, F. M. Couch, Blake, Moffitt & Towne; Secretary, W. C. Mushet, 703 Union League Bldg.
- CALIFORNIA, San Diego**—The Credit Association of San Diego. President, Geo. C. Simes, Sperry Flour Co.; Secretary, Carl O. Retsloff, 607-8 Spreckels Theatre Bldg.
- CALIFORNIA, San Francisco**—San Francisco Credit Men's Association. President, Robt. H. Gay, American Can Co.; Secretary, Felix S. Jeffries, 465 Market St.
- COLORADO, Denver**—Denver Credit Men's Association. President, A. E. Matthews, Colorado Fuel & Iron Co.; Secretary, A. J. Jahraus, M. J. O'Fallon Supply Co.; Assistant Secretary, David F. Lowe, 303 Continental Bldg.
- COLORADO, Pueblo**—Pueblo Association of Credit Men. President, A. W. Reinecke, J. S. Brown Grocery Co.; Secretary, Geo. W. Gleason, McCole-Gleason Commission Co.; Assistant Secretary, F. L. Taylor, 747 Thatcher Bldg.
- CONNECTICUT, Bridgeport**—Bridgeport Association of Credit Men. President, L. M. Allen, Bridgeport Brass Co.; Secretary, C. R. Snoko, Bullard Machine Tool Co.
- CONNECTICUT, Hartford**—Hartford Association of Credit Men. President, W. H. Logan, R. G. Dun & Co.; Secretary, E. S. Pierce, Allsteel Equipment, 647 Main St.
- CONNECTICUT, New Haven**—New Haven Association of Credit Men. President, Ziegler Sargent, Sargent & Co.; Secretary, Wallace C. Hutton, The Seamless Rubber Co.; Inc.
- DISTRICT OF COLUMBIA, Washington**—Washington Association of Credit Men. President, Arthur J. May, The F. F. May Hardware Co.; Secretary, E. Preston Shealey, 726 Colorado Bldg.
- FLORIDA, Jacksonville**—Jacksonville Credit Men's Association. President, J. W. Pettyjohn, Covington Co.; Secretary, W. G. Stedeford, Florida National Bank.
- FLORIDA, Tampa**—Tampa Association of Credit Men. President, Frank Bentley, The Bentley-Gray Dry Goods Co.; Secretary, Arthur Masters, Citizens' Bank Bldg.
- GEORGIA, Atlanta**—Atlanta Association of Credit Men. President, E. S. Papy, White Provision Co.; Secretary, H. T. Moore, Chamber of Commerce Bldg.
- GEORGIA, Augusta**—Augusta Association of Credit Men. President, L. S. Arrington, Arrington Bros. & Co.; Secretary, R. A. Heath, Heath, Bolster & Turner.
- GEORGIA, Macon**—Macon Association of Credit Men. President, Francis Her-ring, J. S. Schofield & Sons Co.; Secretary, J. Tom Dent, S. R. Jacques & Tinsley Co.; Manager, J. R. Meyer, Macon Association of Credit Men.

- GEORGIA, Savannah—Savannah Credit Men's Association. President, H. A. Butterfield, Savannah Supply Co.; Secretary, E. J. Sullivan, Savannah Credit Men's Association.
- IDAHO, Boise—Boise Association of Credit Men, Ltd. President, Chas. F. Adams, Idaho Candy Co.; Secretary, D. J. A. Dirks, 216-218 Boise City National Bank Bldg.
- ILLINOIS, Chicago—Chicago Association of Credit Men. President, W. E. Shoemaker, J. W. Butler Paper Co.; Secretary, Chas. R. Dickerson, 10 South La Salle St.
- ILLINOIS, Decatur—Decatur Association of Credit Men. President, W. Diefenthaler, Field & Shorb; Secretary, J. L. Ward, C. E. Ward & Sons.
- ILLINOIS, Peoria—Peoria Association of Credit Men. President, C. H. Speck, Herschel Mfg. Co.; Secretary, F. C. Cline, care of J. D. Roszell.
- ILLINOIS, Quincy—Quincy Association of Credit Men. President, E. J. Duell, Emerson-Brantingham Co.; Secretary, Frank Rothgeb, Quincy Confectionery Co.
- ILLINOIS, Rockford—Rockford Association of Credit Men. President, A. J. Anderson, Union Overall Co.; Secretary, J. T. Gerber, Barber-Colman Co.
- ILLINOIS, Springfield—Springfield Association of Credit Men. President, George E. Keys, Farmers' National Bank; Secretary, George E. Lee, Jageman-Bode Co.
- INDIANA, Evansville—Evansville Association of Credit Men. President, F. A. Deickman, Globe-Bosse-World Furniture Co.; Secretary, H. W. Voss, Furniture Exchange Bldg.
- INDIANA, Ft. Wayne—Ft. Wayne Association of Credit Men. President, H. A. Perfect, A. H. Perfect & Co.; Secretary, Arthur Parry, 611 Shoaff Bldg.
- INDIANA, Indianapolis—Indianapolis Association of Credit Men. President, R. O. Bonner, L. S. Ayres & Co.; Secretary, R. L. Mellett, Mellett Printing Co.
- INDIANA, Muncie—Muncie Association of Credit Men. President, W. H. Goddard, Jos. Goddard Co.; Secretary, R. W. Clark, 615 Wyszor Bldg.
- INDIANA, South Bend—South Bend Association of Credit Men. President, R. O. Morgan, Oliver Chilled Plow Works; Secretary, R. P. Lang, South Bend Wholesale Grocery Co.
- INDIANA, Terre Haute—Terre Haute Association of Credit Men. President, Fred W. Thornton, Chas. W. Bauermeister & Co.; Secretary, Chas. E. Parker, Samuel Frank & Sons Co.
- IOWA, Cedar Rapids—Cedar Rapids Association of Credit Men. President, A. S. Ormsby, Western Grocer Co.; Secretary, J. J. Lemhan, 504 Mullin Bldg.
- IOWA, Davenport—Davenport Association of Credit Men. President, G. S. Johnson, G. S. Johnson Co.; Secretary, Isaac Petersberger, 222 Lane Bldg.
- IOWA, Des Moines—Des Moines Credit Men's Association. President, Ernest C. Rea, Dodd & Struthers Co.; Secretary, Ernest R. Lucas, American Lithographing & Printing Co.
- IOWA, Ottumwa—Ottumwa Association of Credit Men. President, Jesse Spurgeon, Samuel Mahon Co.; Secretary, Wm. A. Hunt, 114 S. Market St.
- IOWA, Sioux City—Sioux City Association of Credit Men. President, A. P. Soelberg, Sioux City Crockery Co.; Secretary, C. H. Hess, Sibbey-Hess Co.; Assistant Secretary, Peter Balkema, 601 Trimble Bldg.
- IOWA, Waterloo—Waterloo Association of Credit Men. President, W. P. Hoxie, Waterloo Fruit and Commission Co.; Secretary, G. B. Worthen, 518 Black Bldg.
- KANSAS, Wichita—Wichita Association of Credit Men. President, C. H. Armstrong, McCormick-Armstrong Press; Secretary, Harry D. Howard, Massey Iron Co.; Assistant Secretary, M. E. Garrison, 1009 Beacon Bldg.
- KENTUCKY, Lexington—Lexington Credit Men's Association. President, C. T. Crowe, W. T. Sistrunk & Co.; Secretary, J. P. Johnston, 1312-15 Fayette National Bank Bldg.
- KENTUCKY, Louisville—Louisville Credit Men's Association. President, A. B. Harris, Otis Hidden Co.; Secretary, H. H. Ainslie, U. S. Trust Co. Bldg.
- KENTUCKY, Paducah—Paducah Association of Credit Men. President, J. M. Walton, Covington Bros. & Co.; Secretary, Frederick Speck, Paducah Iron Co.
- LOUISIANA, New Orleans—New Orleans Credit Men's Association. President, W. P. Simpson, C. T. Patterson Co., Ltd.; Secretary, T. J. Bartlette, Williams, Richardson & Co., Ltd.
- MARYLAND, Baltimore—Baltimore Association of Credit Men. President, W. Howard, Matthai, National Enameling & Stamping Co.; Secretary, S. D. Buck, 100 Hopkins Pl.
- MASSACHUSETTS, Boston—Boston Credit Men's Association. President, Edward P. Tuttle, Atlas Shoe Co.; Secretary, Herbert A. Whiting, 77 Summer St.
- MASSACHUSETTS, Springfield—Springfield Credit Men's Association. President, L. H. Talmadge, Baker Extract Co.; Secretary, Stanley S. Shepard, Try-Me Mfg. Co.
- MASSACHUSETTS, Worcester—Worcester Association of Credit Men. President, C. D. Mixer, Wright Wire Co.; Secretary, C. W. Parks, Merchants' National Bank.
- MICHIGAN, Detroit—Detroit Association of Credit Men. President, A. I. Peoples, Detroit Copper & Brass Rolling Mills; Secretary, Frank R. Hamburger, 917-918 Dime Bank Bldg.
- MICHIGAN, Grand Rapids—Grand Rapids Credit Men's Association. President, G. J. Wissink, Herold-Bertsch Shoe Co.; Secretary, Walter H. Brooks, 537 Michigan Trust Bldg.
- MICHIGAN, Kalamazoo—Kalamazoo Association of Credit Men. President, Louis Rosenbaum, Kalamazoo Pants Co.; Secretary, F. R. Olmsted, 203 Hanselman Bldg.
- MICHIGAN, Lansing—Lansing Association of Credit Men. President, E. H. Boucher, Elliott Grocer Co.; Secretary, J. Earle Brown, Lansing, Mich.
- MICHIGAN, Saginaw—North Eastern Michigan Association of Credit Men. President, Irving H. Baker, First Nat. Bank, Bay City, Mich.; Secretary, John Hopkins, 315 Bearinger Bldg.
- MINNESOTA, Duluth—Duluth Association of Credit Men. (Duluth-Superior.) President, S. D. Fisher, Armour & Co.; Secretary, W. O. Derby, Manhattan Bldg.
- MINNESOTA, Minneapolis—Minneapolis Association of Credit Men. President, J. W. Sprague, Janney, Semple, Hill & Co.; Secretary, W. O. Hawkins, McClellan Paper Co.

- MINNESOTA, St. Paul—St. Paul Association of Credit Men. President, G. Henry, Foley Bros. & Quinlan; Secretary, W. R. Olsen, Finch, Van Slyck & McConville.
- MISSOURI, Kansas City—Kansas City Association of Credit Men. President, P. B. Rose, American Screen Mfg. Co.; Secretary, J. T. Franey, 303-7 New England Bldg.
- MISSOURI, St. Joseph—St. Joseph Credit Men's Association. President, T. M. Longmuir, Hammond Packing Co., South St. Joseph, Mo.; Secretary, C. A. Wells, John S. Brittain Dry Goods Co.
- MISSOURI, St. Louis—St. Louis Association of Credit Men. President, I. W. Love, Geller-Ward-Haasner Hardware Co.; Secretary, C. P. Welsh, 333 Boatmen's Bank Bldg.
- MONTANA, Billings—Billings Credit Men's Association. President, T. J. McDonough, Stone-Ordean-Wells Co.; Secretary, H. C. Stringham, Electric Bldg.
- MONTANA, Butte—Butte Association of Credit Men. President, M. A. Hughes, Swift & Company; Secretary, W. P. Wilson, Henningsen Produce Company; Assistant Secretary, R. E. Clawson, Ind. Telephone Bldg.
- MONTANA, Great Falls—Northern Montana Association of Credit Men. President, F. J. Gies, F. J. Gies & Co.; Secretary, J. E. Hult, Mutual Oil Co.
- MONTANA, Helena—Helena Association of Credit Men. President, Geo. Cottingham, Union Mercantile Co.; Secretary, P. G. Schroeder, Room 9, Pittsburgh Block.
- NEBRASKA, Lincoln—Lincoln Credit Men's Association. President, E. W. Nelson, Rudge & Guenzel Co.; Secretary, Guy C. Harris, Schwarz Paper Co.
- NEBRASKA, Omaha—The Omaha Association of Credit Men. President, C. J. Ochiltree, Martin-Cott Hat Co.; Secretary, L. R. Yost, E. Bruce & Co.
- NEW JERSEY, Newark—Newark Association of Credit Men. President, F. P. Crane, Whitehead & Hoag Co.; Secretary, F. B. Broughton, 671 Broad St.
- NEW YORK, Albany—Albany Association of Credit Men. President, J. K. Dunscomb, Albany Hardware & Iron Co.; Secretary, C. H. Gilbert, Babcock & Sherman.
- NEW YORK, Buffalo—Buffalo Association of Credit Men. President, L. E. Chandler, Liberty Bank of Buffalo; Secretary, James C. Chase, 1001 Mutual Life Bldg.
- NEW YORK, New York—New York Credit Men's Association. President, E. S. Boteler, G. K. Sheridan & Co.; Secretary, A. H. Alexander, 320 Broadway.
- NEW YORK, Rochester—Rochester Association of Credit Men. President, W. L. Dobbin, Levy Bros., Clothing Co.; Secretary, Eben Halley, American Clay & Cement Co.
- NEW YORK, Syracuse—Syracuse Association of Credit Men. President, S. M. Andrews, West Bros.; Secretary, H. B. Buell, 727-703 Snow Bldg.
- NEW YORK, Utica—Utica Association of Credit Men. President, L. C. Ross, Browne-Gaus Shoe Co.; Secretary, L. B. Mentzer, Foster Bros. Mfg. Co.
- NORTH CAROLINA, Wilmington—Wilmington Association of Credit Men. President, J. R. Murchison, J. W. Murchison & Co.; Secretary, North Dakota, Fargo—Fargo Association of Credit Men. President, Frank R. Scott, Merchants' Nat. Bank; Secretary, H. L. Loomis, N. W. Mutual Savings & Loan Association.
- NORTH DAKOTA, Grand Forks—Grand Fork Association of Credit Men. President, M. E. Stricker, Stone-Ordean-Wells Co.; Secretary, S. H. Booth, Congress Candy Co.
- OHIO, Cincinnati—Cincinnati Association of Credit Men. President, J. E. McClain, Jos. E. Peebles Sons Co.; Secretary, J. L. Richey, 631-2 Union Trust Bldg.
- OHIO, Cleveland—Cleveland Association of Credit Men. President, John M. Klingman, The Cady-Iverson Shoe Co.; Secretary, D. W. Cauley, 318 Engineers' Bldg.
- OHIO, Columbus—Columbus Credit Men's Association. President, D. B. Neil, Lawrence Press Co.; Secretary, Benson G. Watson, 411-420 The New First National Bank Bldg.
- OHIO, Dayton—Dayton Association of Credit Men. President, Ward I. Nicholas, Dayton Rubber Mfg. Co.; Secretary, N. F. Nolan, 607 Schwind Bldg.
- OHIO, Toledo—Toledo Association of Credit Men. President, J. V. Davidson, Davidson Lumber & Cedar Co.; Secretary, Fred A. Brown, 723 Nicholas Bldg.
- OHIO, Youngstown—Youngstown Association of Credit Men. President, O. W. Chaffee, The Trust-Con. Steel Co.; Secretary, W. C. McKain, 1106-7 Mahoning National Bank Bldg.
- OKLAHOMA, Oklahoma City—Oklahoma City Association of Credit Men. President, F. O. Harris, Burwell-Smith Supply Co.; Secretary, Eugene Miller, 625 Insurance Bldg.
- OKLAHOMA, Tulsa—Tulsa Credit Men's Association. President, J. F. Goodner, Goodner-Malone Co.; Secretary, W. A. Rayson, 109-A East 3d St.
- OREGON, Portland—Portland Association of Credit Men. President, P. L. Bishop, Lang & Co.; Secretary, H. J. Parr, Union Meat Co.
- PENNSYLVANIA, Allentown—Lehigh Valley Association of Credit Men. President, Martin B. Strauss, M. H. Strauss Co.; Secretary, J. H. J. Reinhard, 403 Hunsicker Bldg.
- PENNSYLVANIA, Harrisburg—Harrisburg Association of Credit Men. President, Carl K. Deen, Witman-Schwartz Corp.; Secretary, H. B. Lau, Moorhead Knitting Co.
- PENNSYLVANIA, New Castle—New Castle Association of Credit Men. President, A. W. Andrews, Mahoning Valley Baking Co.; Secretary, Roy M. Jamison, 332 Safe Deposit & Trust Bldg.
- PENNSYLVANIA, Philadelphia—Philadelphia Association of Credit Men. President, W. K. Hardt, Fourth St. National Bank; Secretary, David A. Longacre, Room 801, 1011 Chestnut St.
- PENNSYLVANIA, Pittsburgh—Pittsburgh Association of Credit Men. President, E. M. Seibert, Bank of Pittsburgh; Secretary, A. C. Ellis, 1209 Chamber of Commerce Bldg.
- PENNSYLVANIA, Reading—Reading Credit Men's Association. President, E. J. Morris, Reading Wholesale Grocery Co.; Secretary, Geo. W. Mayers, Kurtz & Mayers.
- PENNSYLVANIA, Wilkes-Barre—Wilkes-Barre Association of Credit Men. President, G. L. G. Frantz, 11 Main St.; Secretary, Geo. H. McDonnell, 720-724 Miner's Bank Bldg.

- RHODE ISLAND, Providence**—Providence Association of Credit Men. President, George W. Gardner, Union Trust Co.; Secretary, Lewis Swift, Jr., 1117 Turks Head Bldg.
- SOUTH CAROLINA, Columbia**—Columbia Association of Credit Men. President, M. B. Du Pre, M. B. Du Pre Co.; Secretary, J. F. Goggans, E. M. Du Pre Co.; Manager, J. M. Cozart, 1108 Palmetto Bank Bldg.
- SOUTH DAKOTA, Sioux Falls**—Sioux Falls Association of Credit Men. President, Fred. D. Jewett, Jewett Bros. & Jewett; Secretary, G. E. Larson, Larson Hardware Co.
- TENNESSEE, Chattanooga**—Chattanooga Association of Credit Men. President, Geo. W. Wallace, Betterton-Wallace Shoe Co.; Secretary, H. W. Longley, Chattanooga Wheelbarrow Co.
- TENNESSEE, Knoxville**—Knoxville Association of Credit Men. President, A. W. Thompson, House-Hasson Hdw. Co.; Secretary, Carl R. Haemsh, Cowan, McClung & Co.
- TENNESSEE, Memphis**—Memphis Association of Credit Men. President, E. O. Finne, Oliver-Finne Co.; Secretary, Oscar H. Cleveland, 610 Randolph Bldg.
- TENNESSEE, Nashville**—Nashville Credit Men's Association. President, J. T. Jenkins, Gray & Dudley Hardware Co.; Secretary, Chas. H. Warwick, 803-805 Stahman Bldg.
- TEXAS, Austin**—Austin Association of Credit Men. President, A. J. Eilers, McKean-Eilers Co.; Secretary, R. L. Bewley, P. O. Box 1075.
- TEXAS, Dallas**—Dallas Association of Credit Men. President, F. H. Kidd, Graham-Brown Shoe Co.; Secretary, D. B. McKimmie, S. G. Davis Hat Co.
- TEXAS, El Paso**—El Paso Association of Credit Men. President, W. S. Crombie, Crombie & Co.; Secretary, S. W. Daniels, 307 City National Bank Bldg.
- TEXAS, Fort Worth**—Fort Worth Association of Credit Men. President, S. L. Brown, Armour & Co.; Secretary, Geo. O. McGown, McGown, McGown & Chizum.
- TEXAS, Houston**—Houston Association of Credit Men. President, J. T. McCarthy, Kirby Lumber Co.; Secretary, F. G. Masquelette, 1117 Union National Bldg.
- TEXAS, San Antonio**—San Antonio Association of Credit Men. President, H. P. Goodman, Goodman Gro. Co.; Secretary, T. W. Friedrich, A. B. Frank Co.; Manager, Henry A. Hirschberg, Chamber of Commerce, 313 Alamo National Bank Bldg.
- TEXAS, Waco**—Waco Association of Credit Men. President, D. S. Dodson, McLendon Hardware Co.; Secretary, R. H. Berry, R. T. Dennis & Co.
- UTAH, Salt Lake City**—Utah Association of Credit Men. President, Arthur Parsons, 390 Quince St.; Assistant Secretary, Walter Wright, P. O. Box 886.
- VERMONT, Burlington**—Vermont Association of Credit Men. President, E. J. Soule, C. L. Soule & Co.; Secretary, Neil I. Stanley, P. O. Box 28.
- VIRGINIA-TENNESSEE, Bristol**—Bristol Association of Credit Men. President, J. H. Faucette, Faucette Peavler Shoe Co.; Secretary, T. L. Hayworth, Lockett-Reeves Co.
- VIRGINIA, Lynchburg**—Lynchburg Credit Men's Association. President, R. S. Jones, Barker-Jennings Hardware Co.; Secretary, F. J. Allen, Quinn-Marshall Co.
- VIRGINIA, Norfolk**—Norfolk Tidewater Association of Credit Men. President, H. G. Barbee, Harris, Woodson, Barbee Co.; Secretary, C. L. Whichard, Whichard Bros. Co.; Manager, Shelton N. Woodard, 1210 National Bank of Commerce Bldg.
- VIRGINIA, Richmond**—Richmond Credit Men's Association. President, Harry Marks, Harry Marks Clothing Co.; Secretary, Jo Lane Stern, 905 Travelers' Insurance Bldg.
- VIRGINIA, Roanoke**—Roanoke Association of Credit Men. President, M. W. Turner, American National Bank; Secretary, B. A. Marks, Box 48.
- WASHINGTON, Seattle**—Seattle Association of Credit Men. President, A. K. Matzger, Saxony Knitting Co.; Secretary, F. A. Godfrey, E. C. Klyce Co.
- WASHINGTON, Spokane**—Spokane Merchants' Association. President, Ray R. Gill; Secretary, J. B. Campbell, Old National Bank Bldg.; Assistant Secretary, James D. Meikle.
- WASHINGTON, Tacoma**—Tacoma Association of Credit Men. President, Chas. H. Plass, Tacoma Grocery Co.; Secretary, R. D. Simpson, Tacoma Bldg.
- WEST VIRGINIA, Bluefield**—Bluefield-Graham Credit Men's Association. President, J. G. Stone, Bluefield Candy Co.; Secretary, P. J. Alexander, Flat Top Grocer Co., Bluefield, W. Va.
- WEST VIRGINIA, Charleston**—Charleston Association of Credit Men. President, Okey Johnson, Abney-Barnes Co.; Secretary, D. C. Lovett, Jr., Lovett Printing Co.
- WEST VIRGINIA, Clarksburg**—Central West Virginia Association of Credit Men. President, C. T. Dutton, Martin-Gaylord Co.; Secretary, Bert Evans, 410 Union National Bank Bldg.
- WEST VIRGINIA, Huntington**—Huntington Association of Credit Men. President, H. C. Binna, Watts, Ritter & Co.; Secretary, H. S. Ivie, Huntington Wholesale Grocery Co.
- WEST VIRGINIA, Parkersburg**—Parkersburg-Marietta Association of Credit men. President, W. T. Wallis, Hor-Nelly Grocery Co.; Secretary, W. H. Heermans, Graham-Baumgarner Co.
- WEST VIRGINIA, Wheeling**—Wheeling Association of Credit Men. President, S. Floyd, Greer & Laing; Secretary, John E. Schellhase, Room 31, McClain Bldg.
- WISCONSIN, Fond du Lac**—Fond du Lac Association of Credit Men. President, E. B. Hutchins, Box-Holman Co.; Secretary, A. P. Baker, 91-93 South Main St.
- WISCONSIN, Green Bay**—Wholesale Credit Men's Association of Green Bay. President, Wm. P. Brenner, Brenner Candy Co.; Secretary, J. V. Rorer, 212 Bellin-Buchanan Bldg.
- WISCONSIN, Milwaukee**—Milwaukee Association of Credit Men. President, Carl Engelke, American Exchange Bank; Assistant Secretary, A. W. Hauesser, Fay Lewis & Bros. Co.
- WISCONSIN, Oshkosh**—Oshkosh Association of Credit Men. President, Ira Parker, Jr., Ira Parker & Sons Co.; Secretary, Bessie Cronk, F. R. A. Bldg.

Directory of Adjustment Bureaus Conducted by Local Associations of Credit Men Which Have Advised the National Office That They Are Complying with the Rules Adopted by the National Directors.

California, Los Angeles, F. C. DE LAHO, Mgr., Higgins Bldg.
 California, San Diego, CARL O. REYMOFF, Mgr., 607-608 Spreckels Bldg.
 District of Columbia, Washington, R. PRESTON SHEALEY, Sec'y. and Mgr., 726 Colorado Bldg.
 Florida, Jacksonville, H. LYLE, Mgr., 506 Dyal-Upchurch Bldg.
 Florida, Tampa, ARTHUR MASTERS, 320 Citizens' Bank Bldg.
 Georgia, Atlanta, H. A. FERRIS, Mgr., 304 Chamber of Commerce Bldg.
 Georgia, Augusta, H. M. OLIVER, Mgr., 6 Campbell Bldg.
 Georgia, Macon, J. B. MEYER, Mgr., Macon Association of Credit Men.
 Illinois, Chicago, M. C. RASMUSSEN, Mgr., 10 South La Salle St.
 Indiana, Evansville, H. W. VOSS, Mgr., Furniture Exchange Bldg.
 Indiana, South Bend, L. M. HAMMESCHMIDT, Mgr., 710 J. M. S. Bldg.
 Iowa, Des Moines, A. W. BRETT, Mgr., 708 Youngman Bldg.
 Iowa, Sioux City, PETER BALKEMA, Mgr., 601 Trimble Bldg.
 Kansas, Wichita, M. E. GARRISON, Mgr., 1009 Beacon Bldg.
 Kentucky, Lexington, J. P. JOHNSTON, Mgr., 1312 Fayette National Bank Bldg.
 Kentucky, Louisville, CHAS. FITZGERALD, Mgr., 45 U. S. Trust Co. Bldg.
 Louisiana, New Orleans, E. PILSBURY, Supt., 608 Canal Louisiana Bank Bldg.
 Maryland, Baltimore, S. D. BUCK, Mgr., 100 Hopkins Place.
 Massachusetts, Boston, H. A. WHITING, Secretary, 77 Summer St.
 Michigan, Grand Rapids, WALTER H. BROOKS, Sec'y., 537 Michigan Trust Bldg.
 Minnesota, Duluth, W. O. DERRY, Mgr., 624 Manhattan Bldg.
 Minnesota, Minneapolis, J. P. GALBRAITH, Mgr., 241 Endicott Bldg., St. Paul.
 Minnesota, St. Paul, JOHN P. GALBRAITH, Mgr., 241 Endicott Bldg.
 Missouri, Kansas City, J. T. FRANEY, Mgr., 303-7 New England Bldg.
 Missouri, St. Louis, J. W. CHILTON, Mgr., 323 Boatmen's Bank Bldg.
 Nebraska, Lincoln and Omaha, E. E. CLOSSON, Mgr., 320 Bee Bldg., Omaha.
 New Jersey, Newark, F. B. BROUGHTON, Mgr., 671 Broad St.
 New York, Buffalo, W. B. GRANDISON, Mgr., 1001 Mutual Life Bldg.
 Ohio, Cincinnati, JOHN L. RICHEV, Sec'y., 631 Union Trust Bldg.
 Ohio, Cleveland, T. C. KELLER, Commissioner, 322 Engineers' Bldg.
 Ohio, Columbus, B. G. WATSON, Mgr., 411 The New First National Bank Bldg.
 Ohio, Toledo, F. A. BROWN, Mgr., 723 Nicholas Bldg.
 Ohio, Youngstown, W. C. MCKAIN, Mgr., 1106 Mahoning National Bank Bldg.
 Oklahoma, Oklahoma City, EUGENE MILLER, Mgr., 625 Insurance Bldg.
 Oklahoma, Tulsa, W. A. RAYSON, Mgr., Simmons Bldg.
 Pennsylvania, Allentown, Lehigh Valley Association of Credit Men, J. H. J. REINHARD, Mgr., Hunsicker Bldg.
 Pennsylvania, New Castle, ROY M. JAMISON, Mgr., 509 Greer Block.
 Pennsylvania, Philadelphia, DAVID A. LONGACKER, Mgr., Room 801, 1011 Chestnut St.
 Pennsylvania, Pittsburgh, A. C. ELLIS, Mgr., 1209 Chamber of Commerce Bldg.
 Tennessee, Chattanooga, J. H. McCALLUM, Mgr., Hamilton National Bank Bldg.
 Tennessee, Knoxville, F. E. LOWE, Mgr., 620 Holston National Bank Bldg.
 Texas, El Paso, S. W. DANIELS, Mgr., 35 City National Bank Bldg.
 Texas, Houston, F. G. MASQUELETTE, Mgr., 1117 Union National Bank Bldg.
 Texas, San Antonio, HENRY A. HIRSHBERG, Mgr., Chamber of Commerce.
 Utah, Salt Lake City, WALTER WRIGHT, Mgr., 1411 Walker Bank Bldg.
 Virginia, Norfolk, SHELTON N. WOODARD, Mgr., 1210 National Bank of Commerce Bldg.
 Virginia, Richmond, JO LANE STERN, Mgr., 905 Travelers' Insurance Bldg.
 Washington, Tacoma, W. W. KEYES, Mgr., 802 Tacoma Bldg.
 West Virginia, Clarksburg, Central W. Va. Credit and Adjustment Bureau, U. R. HOFFMAN, Mgr., 410 Union Bank Bldg.
 West Virginia, Huntington, Tri-State Credit and Adjustment Bureau, Inc., HARRY F. ELAM, Mgr., 705 First National Bank Bldg.
 Wisconsin, Milwaukee, S. FRED WETZLER, Mgr., 734 First National Bank Bldg.
 Wisconsin, Oshkosh, CHAS. D. BREON, Mgr., 83 Monument Sq.; Asst. Mgr., BEASIE CRONE, F. R. A. Bldg.

The Adjustment Bureaus conducted under the auspices of affiliated branches of this Association aim to bring about "friendly adjustments" as representing the most economical means in all respects of handling embarrassed estates. Standing as they do for the soundest principles, these bureaus should be given the cordial support of all members. Whenever creditors feel that justice is not being done by the operating bureau, they have a resort to the office of the National Association, with which all grievances should be filed. See the Directory of Adjustment in this Bulletin.

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